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Our Mutual Joint-Stock World and
the Present War

ARVEL B. ERICKSON

WESTERN RESERVE UNIVERSITY

A well-known political scientist recently declared that at the end of the Napoleonic wars (1814) business and government were two distinct institutions but that a hundred years later it was impossible to distinguish one from the other. Why and how this change came about is not only an interesting story but one that has a strong bearing on the present international conflict. As the politicians came to realize that only a wealthy state could be great and strong, and as the business interests realized that their success was to a large degree dependent upon their ability to make a satisfactory arrangement with the state, they began to work along mutually helpful lines. The result was that by 1941 the world of the politico, and the world of the merchant, industrialist and banker had become, as Herman Melville had one of his characters in *Moby Dick* put it, "a mutual joint-stock world." The chief actors in this drama could look back upon the expansion of the market and proudly boast that it was one of the most important achievements of the last 150 years.

The greater part of this expansion came after 1848. Following the revolutions of that year many European countries had the choice of establishing a unitary or a federal system of government. In almost all cases, the politicians, feeling that a strongly unitary state would enable them effectively to play the game of *realpolitik*, chose the unitary system. At the same time, the masters of capital, who ought to have wanted a federative system because it would have provided them with a wider market, also favored the unitary system. Their reason for doing so was that

they believed that a strong unitary state would provide them with a protected, and therefore certain market; and that, furthermore, through their control of the economic life of the state they could bring the proper pressure to bear upon the few politicians who directed affairs in the unitary state. Relatively the same thing happened in England and in the United States so that by the last quarter of the nineteenth century there had developed in the western world a similarity in the aims, views, and wishes of the bourse and the state.

Examples of this entente cordiale between the bourse and the state are both interesting and convincing. When Italy conceived the urgent desire to unify, the king of Sardinia, choosing the unitary system, promptly secured the support of the European market. Knowing full well that Sardinia could not establish its credit without first going into debt, he looked—and not in vain—to the city of London and secured a large loan from the Rothschilds. In 1851, he turned to the Paris bourse and there secured a loan from the C. J. Hambro banking firm. This money was used to build railroads in and about the capital city of Turin. Then, Charles Laffite, of Paris, with considerable assistance from the London bourse, promoted the Vittorio Emanuele Company which immediately connected the railroad systems of Lombardy with those of France.

In the summer of 1858 Napoleon III of France went to Plombières in the Vosges mountains, where the breezes were expected to restore his health, and where, away from the routine duties of the court, he could devote his vacation time to state affairs. On July 17 the *London Illustrated News* reported: "The Emperor lives in an extremely retired manner at Plombières, and his health has already experienced benefit from the waters. All his mornings are spent in studying questions of general importance which the more pressing duties of his life in Paris prevent his having the time to devote his attention to." Among the questions of "general importance" was Italy.

In September the same paper reported that the Emperor was now working very hard because "Many French and Foreign visitors have arrived." Among these were Cavour, also seeking health,

some bankers and the Minister of Public Works. On early morning walks very interesting and important engagements were entered into. The most famous of these was the so-called Pact of Plombières. If Austria, the sovereign power in a large part of Italy, could be enticed into an aggressive war on Sardinia, France would come to the latter's aid. Then, when the Austrians had been defeated, Sardinia would get Lombardy-Venetia from Austria and Napoleon would get as his "price" Nice and Savoy, plus the military prestige he so sorely needed.

It was an interesting "deal"—the language of the bourse had by now become the language of the state—all the plans had been made by Cavour and Napoleon, the breezes had restored their health, and the bourse had made the necessary arrangements. In the early spring of 1859, Austria, having been enticed into doing so by Cavour, obliged all parties by declaring war on Sardinia. The fully prepared armies of France and Sardinia, now able to use the railroads with which Lafitte had connected these two countries, moved swiftly into the plains of the Po and at Magenta and Solferino were laid the foundation stones of the political unification of Italy.

But what about the financial aspects of this transaction? Paul Emden, in his *Money Powers of Europe*, relates how "The Hambros made a good deal of money, for they were able to get rid of their holdings at appreciably higher prices." And then there was the financing of the war itself. Bonds had to be sold, and, in accordance with agreements entered into at Plombières, the Paris bourse assumed responsibility for their disposal. Plombières had turned out to be an extremely important vacation! Napoleon had his health restored, had acquired Nice and Savoy, and had defeated the Austrians; Cavour had recovered not only his health but a good portion of North Italy for Sardinia; the Hambros "had made a good deal of money"; and Sardinia, having gone into debt, now had credit on the international bourse.

However, if one wishes to see the union of the financier and the politico at its best one must go to England. According to a well-authenticated account, Henry Oppenheim, a financier with large holdings in Egypt and one of the proprietors of the *Daily News*,

heard that the Khedive of Egypt was on the verge of bankruptcy and was therefore ready to sell the 176,000 shares of Suez Canal stock that he owned. At a dinner he discussed the subject with F. Greenwood of the *Pall Mall Gazette* and the latter promptly conveyed the news to Benjamin Disraeli who sent his friend Lord Rowton to the Rothschilds to negotiate for the necessary funds. With incredible speed all the arrangements were made and Disraeli dispatched that very amusing note to Queen Victoria: "It is just settled; you have it Madam." Later on Parliament voted the money with which the Rothschilds were reimbursed. A first-rate *Coup d'état* and *coup de bourse*.

It would be difficult to find a better example of how, by reason of their international business, merchants, bankers and financiers were in close touch with other money-centers and stockmarkets, and of how they possessed the most exact and detailed information and knew the best-kept secrets concerning political, financial, and social developments. To such an extent was this the case that Auguste Comte declared that in a well-governed community all the power should be wielded by the bankers. "No one," he said, "has better information at his disposal than the head of a great bank. It is here that the visible and invisible threads which cover the whole world are gathered together. The diplomatist, especially in overseas countries, learns what is really happening in the country to which he is accredited, only through the great, mostly English, business houses, and they have passed on the fullest details to their London correspondents long before anything reaches the ear of Downing Street." And so Whitehall came to Lombard Street. So too, did Royalty. The closest friends and advisers of Edward VII, King of England from 1902-1911, were Sir Thomas Lipton of Tea and Shamrock fame, the Rothschild brothers, and that internationally famous financier, Sir Ernest Cassel.

During the closing years of the nineteenth century and the first years of the twentieth there occurred a diplomatic revolution of world significance. England, having been pro-German and Anti-French, did a complete about-face. One of the decisive moments in this revolution was February 8, 1902. A state banquet was

being held at Marlborough House and while King Edward's guests were drinking coffee and smoking cigars Joseph Chamberlain, the colonial secretary, and M. Cambon, the French ambassador, went into the billiard room. In about an hour they returned looking very pleased. They had come to an understanding on the questions of Egypt and Morocco. Later in the same evening, Baron von Eckardstein, secretary at the German embassy (who had been eavesdropping and had heard the words "Egypt" and "Morocco"), overheard Edward's statement that England and France had come to an understanding on the colonial questions that had kept them at swords' points for so many years. This understanding became more cordial in 1903 when Edward visited Paris, and still more so in 1904 when Sir Thomas Barclay of the London Chamber of Commerce arranged with the Paris Chamber to hold joint meetings. At the Algeciras Conference, two years later, the whole world became aware of the existence of an Anglo-French *Entente Cordiale*.

Meanwhile, on this side of the Atlantic the state and the bourse worked equally well together. The completion of the great trans-continental railroad lines, for instance, coincides with Cleveland's appointment of Whitney, of the steel interests, to the headship of the Navy department. There followed immediately a campaign for the construction of a larger fleet. Naturally the armor plate required for the ships would take up the slack caused by the decrease in demand for steel rails.

To take an example from the field of our foreign relations, the tie between Washington and Wall Street with respect to our relations with Latin America was so close that historians usually refer to the early years of the twentieth century as a time of "dollar diplomacy." Plans for this politico-economic penetration of Latin America were usually made while representatives of the state and the market were vacationing on short cruises down the Potomac, on longer Caribbean cruises, or on inland fishing trips.

And so our "mutual joint-stock world" continued to repair to the watering places and to concoct the schemes by which they were able to circumvent their rivals. Despite voices crying out

against this unholy alliance of the bourse and the state, of Lombard Street and Whitehall, of Wall Street and Pennsylvania Avenue, despite the Marxist's denunciations of the subservience of the state to the market, the union became ever closer and more effective.

Since one of the major conditions for the continued existence of this joint-stock world is the maintenance of order and the prevention of any sudden, violent shock to the international market, it follows that if war is to come, the bourse must know ahead of time so that it can make the necessary financial arrangements. It insists that changes in state policies, like changes in business policies, "ought" to be preceded by "due notice." As a result there has developed a standardized war-making pattern.

In the ancient world, a declaration of war was an exceedingly well-regulated thing. Among the Greeks, a herald carried the news of hostile intent to the enemy. The ultimatum customarily demanded "justice" by which was meant the restoration of property, an expression derived from the times when plunder of cattle was the most common offense committed by a neighboring state. In Rome, a failure to obtain justice i.e., a retrocession of property, was followed by a thirty day truce and then came war. So also in the Middle Ages war could not be begun without a previous declaration. The spirit which dictated this policy was not so much a desire to prevent the effusion of blood by giving the enemy time to undo his wrong, as a knightly abhorrence of anything that smacked of being underhanded and treacherous. Even in the private warfare of the Feudal Age it was necessary to deliver a formal challenge to the enemy.

This extremely legalistic and therefore disorderly society gave way to the demands for an "ordered" society in the late fifteenth and early sixteenth centuries in Spain, France and England. Like the Israelites of old, the townsmen of the Middle Ages clamored for an end to legists and ecclesiastics and for the establishment of a Monarchy, i. e., Order! The Israelites got their Saul; the Spaniards, their Hapsburgs; the French, their House of Valois; the English, their Tudors. That their states might prosper, these new

Monarchs, did everything possible to encourage business, but they always kept the market subservient to the state, and always gave the orders.

On the Machiavellian theory that the Prince was not bound by customary law, Kings and their advisers from the mid-seventeenth century to the mid-nineteenth began, so to speak, to hit below the belt. In the 171 years from 1700 to 1870 there were 107 cases of hostilities beginning without previous declaration of intent. Against this practice the merchants, bankers and business men, who are the real leaders of the modern world and who lose much by such interruption in the normal rhythm of the life of trade, protested with increasing vehemence, and these protests were not in vain.

Plenipotentiaries who assembled at Paris on April 16, 1856, declared: "The uncertainty of the law and of the duties in such a matter (declarations of war) gives rise to serious differences of opinion between neutrals and belligerents which may occasion serious difficulties, and even conflicts, and . . . it is consequently advantageous to establish a uniform doctrine on so important a point." Then followed the declaration of their resolve "to introduce into International relations *fixed* principles in this respect."

At the moment nothing more than this declaration of intent was achieved, but it is interesting to note that the Franco-Prussian war which came fourteen years later was certainly preceded by a reasonable time-lapse. In fact, the first news of the offer of the Spanish throne to a Hohenzollern prince was made public on July 2, 1870, while the Kaiser was "taking the cure" at Ems, and the war did not begin until the fifteenth. By the turn of the century so generally was it understood that an ultimatum ought to precede a war by the lapse of a reasonable length of time (in which trade balances could be adjusted and deals consummated) that when Japan attacked Russia without notice in 1904 Russia publicly charged her with treachery and double-dealing. The controversy which followed led to a declaration at The Hague in 1907 that hostilities must not begin without previous warning. Whether as a result of this declaration or not, procedures antecedent to the opening of hostilities in 1914 were certainly "regular." The

assassination of Francis Ferdinand occurred on the twenty-eighth of June; the Austrian ultimatum to Serbia was sent on the twenty-third of July; the declaration of war, on the twenty-eighth.

In the years after World War I, then, the old rule that the race was always to the swift and the fight to the strong had been toned down. The Western Powers had declared that there must be no hitting below the belt. There were, in fact, rules of war, and the combatant setting these rules at naught risked the hatred and contempt, if not the actual interposition, of the neutrals. And this is precisely where the world is now.

In the decade following the First World War the market gained almost complete supremacy. The collapse of Germany and the Central Powers, accompanied shortly thereafter by the moral, social and political decline of France, meant that the rest of the world would have to tune itself to the rhythm of life as set by the bourse in England and in the United States. Because of the stranglehold which these two countries had on the materials out of which the stuff of western civilization is made, they were able to determine the course of world developments. They had the gold, the banking systems, the ships, the raw materials, and markets for both raw materials and finished products.

Not only that, but in the similarity of their political, social, economic and cultural institutions they possessed the necessary ingredients for a real entente cordiale. Convinced that it was necessary for the life of each that the so-called Anglo-Saxon way of life ought to be preserved, and that any force threatening the existence of one also threatened the other, there developed a closely coordinated and efficient "Union Now." Because of the manifest superiority of this Anglo-American partnership, the rest of the world was in a sense forced to get into step and to tune its comings and goings to the ticking of the market in London and New York, and to the demands of the market representatives in Whitehall and on Pennsylvania Avenue. A well-regulated, carefully timed, and extremely "legal" way of life had been established which, it was agreed, nothing should be allowed to destroy.

This modern joint-stock world has stood for the protection of property rights; it has distributed alms and provided poor-relief,

and since war would throw this whole machine out of gear, it carried appeasement to the bitter end.

While Edward I and Philip IV rose to power in England and France in the 13th century by the strategy of unbalancing the rhythm of life as established by the Medieval Church, Hitler and Mussolini rose to power by the strategy of *deregularizing* the rhythm of life as set by the market. As a matter of fact, as Rauschnig so clearly pointed out, the only policy that the Nazis consistently followed was that of unsettlement, of surprise, of ignoring the rules of good conduct, which the western market world had been at such pains to build up, of hitting below the belt, in fact, of destroying the whole established world order. It is in the sense that it stood resolutely opposed and in violent antagonism to all that the western market world held dear that Nazism was such a total revolution. Between these two there could be no compromise for, despite the assertions of some of the leaders of our mutual joint-stock world who were isolationists and who preferred a society of "order" to one of law, there is no gulf that is wider, deeper, blacker, or more impassable than the gulf that separates these two ways of life. The struggle is one to the death between two sharply antagonistic principles—the legalistic capitalism of western democratic countries and the new Power ethic of Germany and Italy.

In some respects the most pathetic part of this whole sordid business is that the fundamental nature of the struggle was and is realized by so few people. In his *Failure of a Mission*, Neville Henderson, with incredible naiveté, reveals how completely he misunderstood it. Sticking to his mid-Victorian ideals and ideas, trained in the school of the market and the old type of statesmanship, he tried to apply antiquated techniques to new problems. *Failure of a Mission* was Henderson's failure to realize that "Our Time"—the time Neville Chamberlain referred to when with trembling hands and quivering voice he said to those who awaited his return from Munich that he had achieved "peace in our time"—was not the same time to which Hitler geared his plans and regulated his conduct. Henderson, like Chamberlain, could not understand that when Hitler referred to HIS plans and HIS time, he meant exactly what he said. The time of Whitehall and Lombard

Street, of Wall Street and the White House—the time of the western market world—was not the time of Hitler.

What is most amazing is that some of the leaders in the very world of the market against which Hitler had set his face most resolutely took so long to realize that he and they could not inhabit the same household. I say amazing because Hitler had told the whole world what he intended to do and that between their world and his there could be no peace. On December 10, 1940, speaking to the German workers in Berlin, Hitler declared: "In those countries (the democracies) it is actually capital that rules; that is, nothing more than a clique of a few hundred men who possess untold wealth and, as a consequence of the peculiar structure of their national life, are more or less independent and free. They say, 'Here we have liberty.' By this they mean, above all, an uncontrolled economy, the freedom not only to acquire capital but to make absolutely free use of it. That means freedom from national control or by control by the people both in the acquisition of capital and in its employment." As if to be certain that no one should misunderstand, he subsequently declared: "How can a narrow-minded capitalist ever agree to my principles? It would be easier for the Devil to go to Church and cross himself with holy water than for these people to comprehend the ideas which are established facts to us today." That should have been clear enough for even the dullest of the bourse to understand. On the twenty-fourth of February, 1941 Hitler became even more explicit: "I am not the slave of a few international banking syndicates. I am under obligation to no capitalistic group." Douglas Miller, the United States commercial attache at Berlin from 1925 to 1939, put it very succinctly when he wrote not long ago, "You can't do business with Hitler." And just about two years ago the Reichs-Führer thundred to a wildly-cheering audience: "The stock exchanges of the world hate us."

This assertion can be explained only by reference to the events of 1931—the most critical and important of the post-war years. And what happened in 1931 was a product of policies that had been pursued in the preceding years. By the mid-twenties, the bourse and the state knew that the war debts could not be paid. Europe had no gold and we did not want either its services or its goods.

What we did, therefore, was to loan European countries money with which to pay their debts. Actually it meant that these countries had to buy goods in the United States. The market, therefore, sent goods to almost anyone (except Americans) in order to secure employment for both capital and labor, keep things going, and so avoid any revolutionary interruptions to the rhythm of the market.

While the year 1929-1930 was one of world-wide market collapse, 1931 was worse. It was ushered in by the failure of the Credit Anstalt Bank of Vienna. Shortly thereafter the Danat Bank of Berlin had to close its doors. And then, to the bewilderment and dismay of the mercantile world, the British government went off the gold standard. This action of England was a direct result of what had happened in France. From 1921 to 1931, despite great material losses due to the war, France was fairly well off and the flow of gold to the Bank of France continued in a steady stream. To meet other obligations, in 1931, France demanded of England the heavy gold payment that was due her. England, not able to make this payment, abandoned the gold standard and went into voluntary bankruptcy.

In the United States too the policies of France led to interesting developments. With the reparations payments that she received from Germany, France bought paper on the New York Exchange, i.e., the surpluses due on the reparations accounts were put into paper buying. As a result, in 1927 and 1928 the American paper market went sky high and the unknowing boasted of our "Coolidge prosperity." But the Hoover government, knowing that this prosperity was unsound, charged France with departing from accepted business practices and implied that her paper buying was a plot to milk the United States by raising the price of our paper and then selling out from under.

There is nothing to this charge. The situation in France was simply that the French government and the French bourse were too *confugal*. France could not turn the money due her into anything valuable and so to recover her war losses went into the paper market. When the British government decided that no more gold would be sent to France it was roundly denounced by the French

who accused the British of trying to recapture their markets by simply cheapening the pound sterling and so ruining the position of the Franc. To many French financiers this looked very much like a plot of the Anglo-American bourse against the French bourse, and when the Roosevelt government abandoned the gold standard in 1933 they were more than ever convinced that they had been made the victims of a plot.

But, plot or no plot, the result was financial ruin to both France and Germany. The significance of these events should be apparent. In Germany, such financial and industrial leaders as Thyssen, Goetz, and others, decided that since the Anglo-American bourse had closed the door on them, there was nothing to do but turn to the state. And this state, led after 1933 by Hitler, promised to smash to pieces this unholy alliance of the "plutodemocracies." In France, the reaction was similar. From 1931 on an increasing number of financiers turned Fascist. They would, if necessary, unite even with Hitler in order to end this Anglo-American domination of the world of finance.

Rapprochement with Hitler was made easier, too, by the fact that Hitler was just then fulminating against the Communists and posing as the savior of Europe. What the German and French financiers, and for that matter many English and American financiers did not know was that Hitler had no intention of ever letting them gain the upper hand as they once had had it. He, like the rulers of the earlier Mercantile states, intended not only to give the orders but to have them obeyed.

And so the stage was set for the present clash between the Anglo-American Mutual Joint-stock world, based on law and contractual arrangements, and desirous of peace and, on the other hand, a society of force and violence whose leaders followed the advice of Baron Brunow: "Act with secrecy because the blow must first be struck before it is announced."

Mobilizing Underemployed Southcentral Farmers for Year-Round Farm Labor in Pacific Northwest¹

JOE J. KING

FARM SECURITY ADMINISTRATION

Region XI

Four years ago many residents of the Pacific Northwest were troubled over the influx of "dust-bowlers."² Some residents even actively resisted the migration; for they feared that the migrants would fail to find employment and subsequently lodge on the public relief rolls. Their basic assumption, of course, was that the Pacific Northwest had a surplus population in relation to available economic opportunities.

In less than four years the national defense drive, military needs, war necessities, and industrial developments wrecked this depression-born assumption. The region in 1943 needed in-migration of industrial and agricultural workers. For example, *The Portland*

¹ Adapted from a paper delivered at the Conference "Mobilizing Farm Labor in the Pacific Northwest," Portland, Oregon, March 19, 1943. The author acknowledges primary source material from letters written by Ronald Purcell, Verne Livesay, Herbert Drew, Clara Thompson, Lester Bell, Cecil Kent, and others, all FSA field personnel.

² Considerable literature exists on this subject. See, for examples: Willard W. Troxell and W. Paul O'Day "The Migrants—III" *Land Policy Review*, Vol. 3 pp. 32-43, January-February, 1940. "Migration Into Oregon, 1930-1937," Oregon State Planning Board, February, 1938. Bulletins of State College of Washington, Agricultural Experiment Station, Pullman, Washington: Paul H. Landis and Melvin S. Brooks "Farm Labor in the Yakima Valley, Washington" Bulletin 343, December, 1936; Carl F. Reuss, Paul H. Landis, and Richard Wakefield "Migratory Farm Labor and the Hop Industry on the Pacific Coast" Bulletin 363, August, 1938; Richard Wakefield and Paul H. Landis "The Drought Farmer Adjusts to the West" Bulletin 378, July 1939; Paul H. Landis "After Three Years: A restudy of the Social and Economic Adjustment of a Group of Drought Migrants" Bulletin No. 407, October 1941. Marion Clauson, Davis McEntire, and C. B. Heisig "The Migrants—V" *Land Policy Review*, Vol. 3, pp. 32-38, May-June, 1940. Davis McEntire and N. L. Whetten "The Migrants—I" *Land Policy Review*, Vol. 2, pp. 7-17, September-October, 1939. John Blanchard, *Caravans to the Northwest* under direction of the Northwest Regional Council, Portland, Oregon, Boston-Houghton-Mifflin, 1940.

Oregonian, 28 March, 1943, advertised "37,000 men critically needed." Seattle, Tacoma, Spokane, and other areas also lacked industrial manpower. In agriculture there was a similar situation. H. C. R. Stewart, Senior Agricultural Statistician, Division of Agricultural Statistics in Seattle, Washington, stated 8 February, 1943, in a letter to Herbert E. Drew, Washington State FSA Director, that: "since last fall, we have lost several thousand farm laborers employed on an annual basis, and we have more than passed the point where it is now necessary that we import some farm laborers into the State, or we cannot even approach the meeting of our food production goals." Further in his letter Mr. Stewart suggested: "... there should be a minimum of about 5,000 workers, Mexican or white, brought to the State and made available for our farmers if the government wants a reasonable assurance that farmers will plant, cultivate, and harvest war-food crops as desired."

The need was partially met by transporting workers. Industrialists like Henry Kaiser early began to recruit and to transport industrial workers from eastern and southern areas. The *New York Times*, 20 September, 1942, and *Business Week*, 3 October, 1942, described these activities. The U. S. Department of Agriculture, under this war necessity of helping farmers obtain essential workers, boldly developed a seven-point farm labor program: (1) shifting farm workers from non-essential to essential crops; (2) shifting farm workers from subsistence farms to market crop farms; (3) recommending deferment to key farm workers; (4) organizing women, youth, volunteers, etc. into farm labor "land army;" (5) transporting seasonal and year-round laborers, both domestic and foreign; (6) training farm workers; and (7) providing machinery for farm wage adjustment. In 1943 the Office of Labor, War Food Administration transported into the Pacific Northwest for seasonal farm labor: 560 Jamaican Negroes, 8500 Mexican nationals, 1750 former domestic servants from southern areas, and 1000 Japanese from various relocation centers.

The purpose of this brief paper is to provide a bird's-eye picture of the war program of recruiting, transporting, training (if necessary), and placing year-round farm workers from Southcentral

areas (Arkansas, Mississippi, Louisiana, and Oklahoma) to the Pacific Northwest (Idaho, Oregon, and Washington.) The program should be of practical and theoretical interest to rural sociologists, population students, labor economists, and other social scientists.

Claude R. Wickard, Secretary of Agriculture, in the fall of 1942 pointed out that approximately two million farm families in the United States were underemployed.³ He urged that these families be brought more fully⁴ into the war effort by: (1) providing credit, supervision, and larger farm units; and (2) shifting some of them from areas of labor-surplus to areas of labor-deficit. Specifically, Mr. Wickard directed Farm Security Administration on 21 August, 1942, to bring "into full production the manpower and resources of all farm operators who are unable to achieve their full output through their own efforts or through existing normal channels of assistance."

Farm Security Administration, through its rural rehabilitation work with about half a million of these families, was adequately geared to follow through on Mr. Wickard's first suggestion.⁵ It

³ Claude R. Wickard "The Challenge of Underemployment of Farms", October 5, 1942, address before National Catholic Rural Life Conference at Peoria Illinois. Mr. Wickard stated: "As a war emergency measure we must help those families get off crowded marginal land and onto land where their work will go for many times as much." Also see Claude R. Wickard "Statement before the Special Committee of House Agricultural Committee investigating the Farm Security Administration" hearing 1 July, 1943, mimeographed release, Office of War Information, Department of Agriculture.

⁴ Mr. Wickard did not claim that all the Department's emphasis should be placed on helping the 2 million underemployed farm families. He pointed out that in addition to the Department's help to the 3 million farms which customarily produce 84% of our farm commodities, it should also devote attention to tapping this reservoir of farm potential. It was not a case of "either or." It was a case of "and." For a critical point of view, see "*The Nation's Agriculture*," Vol. 18 p. 2, February, 1943. For a favorable side, particularly in reference to post-war and social-welfare considerations, see: "Issues in Agricultural Reconstruction," Information Service, Federal Council of the Churches of Christ in America, 6 March, 1943.

⁵ "The Farm Security Administration goes to War" Release No. 1, 1942; Family Progress Report, 8 March, 1943, Program and reports Division, Farm Security Administration. Oren Stephens "FSA Fights for its Life" *Harpers' Magazine*, Vol. 186, pp. 479-487, April, 1943. T. S. Harding "What the FSA is and does," *Commonweal*, Vol. 36, pp. 561-2, 2 October, 1942. J. H. Tolan "Food is a Weapon," *Christian Science Monitor*, Magazine Section, 16 May, 1942, p. 5.

simply changed its emphasis largely from straight rehabilitation to helping its low-income borrowers increase food production. But on the second suggestion, the agency lacked a clear-cut pattern.

Several experimental or "pilot" programs on relocating underemployed farmers were set-up late in 1942. The two best known were, first, in Wisconsin, and the second in Ohio-Kentucky.⁶ In Wisconsin the program was carried on chiefly by the County USDA War Boards, U. S. Employment Service, the State Agricultural Extension Service, and Farm Security Administration. Recruitment was undertaken in the northern cut-over areas. Agency representatives worked together in visiting small underemployed farmers and in recruiting them voluntarily as year-round farm hands for southern Wisconsin farms. One factor that helped in the recruitment was that the head of the family could travel easily to southern Wisconsin, look over the prospective job, return home, arrange for selling his farm equipment and for leasing his land, and move his family to the new location. Another factor that helped was the particular ability of the recruiters to instill confidence in these small farmers. Many of these people had been casualties of either industrial depression, agriculture, or the last war. Remembering what had happened to them, they feared the future. Before they would move, their confidence in the future had to be established. At the start training was not involved, for the recruits generally were accustomed to southern Wisconsin farming and dairying practices. Later a short training course was introduced. USES performed the recruiting and placing. FSA paid \$328 to cover the cost of transporting 15 families.

The Ohio-Kentucky experimental program was similar to the

⁶ Olaf F. Larson "Report on Reconnaissance Work in Ohio and Kentucky for Pilot Project on Mobilizing Unproductively used Rural Manpower, with Special Reference to a Dairy Labor Program," Bureau of Agricultural Economics, 29 October, 1942, preliminary and for administrative use only. L. J. Horlacher and A. W. Hopkins "Training New Hired Men," *Extension Service Review*, Vol. 14, p. 69, May, 1943.

⁷ Carter Goodrich and others *Migration and Economic Opportunity*, Philadelphia—University of Pennsylvania Press—1936, Chapter IV, "The Cutover Region of the Great Lakes States," pp. 164-201. This book is practically an indispensable tool in planning an action program for moving people from population-distress areas of the United States. There is a valuable bibliography.

Wisconsin plan except that training was highlighted from the start. The U. S. Office of Education and Ohio State University were added to the cooperating agencies. The Kentucky State USDA War Board endorsed the program, designated several mountain counties of Kentucky as an area of surplus farm labor,⁸ and instructed 19 County USDA War Boards to recruit three year-round farm workers from each of their major sources: (1) U. S. Employment Service Rolls; (2) rejected FSA applicants who lacked adequate land resources; and (3) the lower level of FSA borrowers. Recruiting, based mainly on a patriotic appeal, was successful. Fifty-two recruits were transported to Columbus, Ohio, for a training course in dairying, poultry, farm machinery, etc. After a week to 10 days of training, the majority of the men were placed on jobs. A few returned to Kentucky for physical or other reasons⁹.

On the basis of these "pilot" programs, the U. S. Department of Agriculture, in line with its farm labor responsibilities given by War Manpower Commission, directed Farm Security Administration to introduce the program on a national scale, in close cooperation with the U. S. Employment Service, U. S. Office of Education, and State Agricultural Extension Services. One and a half million dollars was provided to defray transportation costs from President Roosevelt's emergency fund.

The Southcentral and Pacific Northwest relocation activities were similar to the Wisconsin and Ohio-Kentucky patterns with one significant difference: the great distance between recruitment and placement areas. This factor of distance meant, among other things, that recruiters had to depend upon written reports

⁸ Howard R. Tolley, Chief of Bureau of Agricultural Economics, stated in 1940: "If there were no migration from the mountain counties of Kentucky, the working farm population there would increase by about 40% in a decade." Quoted from "Planning a Way Out for Southern Agriculture," address to Population Association of America, Chapel Hill, North Carolina, 2 May, 1940. Olaf F. Larson "Wartime Migration and the Manpower Reserve on Farms in Eastern Kentucky," *Rural Sociology*, Vol. 8, pp. 148-161, June, 1943. Olaf F. Larson and James C. Downing "Manpower for War Work—Eastern Kentucky," Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C., May, 1943.

⁹ "Migration Found Help in Solving Farm Puzzle," *The Christian Science Monitor*, 15 March, 1943, p. 3.

of agricultural, wage, housing, and other conditions in the placement area; that placers had to depend upon written reports of the characteristics, social habits, social mores, etc. of the people being transported; that recruits were unable to survey the placement area as to desirability before actually signing for a job; that problems of transportation and meals were trebled in view of wartime congested railroads; that farmer-employers were asked to trust in the competence of FSA recruiters in selecting satisfactory workers.

Despite these difficulties, the program operated. From its introduction in the Pacific Northwest in late February, 1943, it was a cooperative endeavor between four agencies; USES received the job orders from farmer-employers and determined, usually within 24 hours, whether the order was to be filled locally;¹⁰ Agricultural Extension Service organized the local community labor, educated the farmers in methods for developing plans to provide labor, and helped to determine the need for transporting-in workers;¹¹ U. S. Office of Education through State Departments of Vocational Agriculture trained recruits in the agriculture of the region;¹² FSA transported the worker families, furnished subsistence, checked on housing facilities, helped develop satisfactory working agreements, and assisted the families in adjusting to a new environment.

Stimulus for the program came from the area of placement (area of labor deficit.) If jobs were not available, workers would hardly be transported. FSA quickly learned the futility of attempting to recruit workers out of some Pacific Northwest areas which, according to census and other data, showed high relief loads four years ago. The pull of industrial employment and armed force recruitments had drawn the workers out of the areas. These facts

¹⁰ "Joint Statement of Procedures for Operation of a Year-round Farm Worker Program," mimeographed bulletin, issued by USES and FSA in Washington State, 22 February, 1942.

¹¹ "Oregon Proud of its Own Farm Labor Plan," *The Washington Post*, Washington, D. C., 21 March, 1943.

¹² Rural War Production Training program is well known throughout the nation. Leaflet "Mr. and Mrs. Farmer do not know that local schools can help you," Division of Vocational Education, State of Oregon, Salem.

were indicated by William H. Metzler in two unpublished BAE reports "Prospects for Obtaining Underemployed Farmers in Josephine County, Oregon" and "Underemployed Farmers in Clark County, Washington," and by Paul H. Landis in WSC Bulletin 427 "The Loss of Rural Manpower to War Industry through Migration."

The mechanics of the program operated something like this. A USDA County War Board, having summarized the reports on the County Mobilization sign-up, knew the county's projected crop and livestock production. On the basis of this information the War Board, or in many counties a sub-committee on farm labor,¹³ determined the approximate amount of needed farm labor. Some of the labor, the USES representative and County Agent reported, could be recruited locally; but some of it had to be brought into the county.

The estimation by the War Board, of the approximate number of farm hands that must be brought in from the outside was given to FSA for recruitment purposes. At the same time the War Board began a publicity campaign, urging farmers to place their orders for year-round farm laborers with the local USES office and to pay \$10 for each transported laborer hired. The important point was that the determination to recruit was not held up until the farmer actually placed his order and deposited \$10; for farmers were, and are prone to delay placing labor orders.

FSA transmitted this estimated future demand for farm labor to its Denver inter-regional coordinating office for submission to an area of labor surplus. The order indicated the total number of workers needed, the dates on which they were to be shipped, the destinations, the training centers, and contained descriptive material on the agriculture, wages, housing, necessary skills, social customs, etc. of the placement area. For example, one order ran like this: 160 white farm-families for Caldwell, Idaho, 20 families to be transported each Saturday starting March 27. The descriptive material on the Snake River Valley, where the workers were to be employed, contained about 10 typewritten pages.

¹³ Farm Labor program for North Central Washington prepared by Executive Committee of the North Central Washington Farm Labor Council of the District Land Use Planning Committee.

There was no effort to transport southern Negro year-round farm laborers into the region. It is interesting to note, however, that in one county a group of farmers signified its willingness to accept southern Negroes if the supply of white workers became exhausted. Generally speaking, the manpower situation must become very critical and the Pacific Northwest farmers must receive considerable "education" before they will gracefully accept southern Negro year-round farm workers.

In the South central recruitment area the job of recruiting proceeded mainly as outlined in Wisconsin and Ohio-Kentucky. Selective interviewing was used. Workers were given physical examinations and were aided by FSA Supervisors in disposing of or leasing their farm stock and equipment. An FSA escort accompanied the recruited families on the train ride to arrange for meals and generally supervise the trip. At the training center in the Pacific Northwest, the workers were given training and were placed on jobs. The farmer-employer and the worker signed an employment agreement for a minimum period of three months.

Farm Security Administration actively operated the year-round farm labor program in the Pacific Northwest for the months of March, April, and a part of May. During that period the agency's Oregon-Washington, Idaho offices received 786 signed orders¹⁴ for workers. They transported 541 workers and made 569 worker placements: 100 in Idaho; 171 in Oregon; and 298 in Washington. The discrepancy between transported and placed workers is explained by the fact that occasionally one worker was placed on more than one job. Of the 541 total, 153 were single men and 388 were married men with families. Information on family size is not available. In general, however, the families average about 4 persons.

Not all the transported workers remained in agricultural employment in the Pacific Northwest. Reports reveal that 31 later returned or were sent back to the recruitment area; 8 entered industrial employment; and 28 departed for "destination unknown."

¹⁴ "Monthly Report of FSA Activities," May, 1943, Farm Security Administration, Program Analysis Unit, Region XI.

All others are at present busily engaged in producing war food and fibre. An unpublished FSA report July 9, 1943 states that "Recent contacts with employers indicate that with very few exceptions the quality of work being performed is excellent and similar contacts with workers indicate that by far the majority are happy in their locations and nearly all plan on becoming permanent residents in the respective counties."

Wages paid these transported workers range approximately from \$75 per month with room and board to \$100 per month and board for single workers; and from \$90 to \$135 per month without board and room for married workers. The married workers are furnished with housing and gardening facilities. Many are supplied with milk; a few are provided with a cow; and several are allowed to raise a pig. In percentage figures transported workers began work at the following cash wages: 67.8% at \$100 per month; 12% at over \$100 per month; 11.2% at \$75 per month; and the remainder at various figures within the \$75-\$135 range. In one state 10% of the transported workers soon received monthly wage increases of from \$10 to \$35 over the starting wage.

Early in April Congress voted an appropriation of \$26,100,000 to finance a farm labor program for the calendar year ending December 31, 1943 (Public Law 45, 78th Congress, Chapter 82, 1st Session, H. J. Res. 96). The War Food Administration was authorized to administer the program, with the State Agricultural Extension Services charged with local recruitment and placement of farm labor, under direction of WFA. To handle the transportation of interstate and foreign labor and to over-see the whole program, WFA established an Office of Labor. This Office, together with the State Agricultural Extension Services, is now operating the year-round labor program as well as the recruiting, transporting and placing of seasonal farm labor. A complicating factor in operation of both the year-round and seasonal labor transportation programs is the provision in the law known as the Pace Amendment which requires that before a farm worker can be transported at government expense from the county of his residence to perform farm work elsewhere, the written consent of his county agricultural extension agent must be obtained.

By way of conclusion, the relocation of underemployed farmers from areas of surplus-labor to areas of deficit-labor is a real war activity. As might be expected in a new undertaking, mistakes have been made;¹⁵ but none of them has been serious. The program is designed to make more efficient use of labor in the prosecution of the war effort by tapping the Nation's reservoirs of farm labor. In particular, it is helping the Pacific Northwest to produce vital Food for Freedom and at the same time labor necessary for constructing ships, cutting forests, and manning armed forces.¹⁶ It is helping labor surplus areas to improve the material living conditions of a large number of underprivileged rural citizens.

Above all, the program provides continuing economic and social opportunities for low-income rural people to participate freely and voluntarily in an all-out democratic war effort. "In the chance to climb upward and the freedom to move outward lies the essence of what we know as democracy in America, and this essence is as undying as democracy itself."¹⁷

¹⁵ Lester Bell, Idaho FSA Area Specialist, divides the initial mistakes; "Faults of Recruitment, (1) Not enough background study of labor; (2) Too many boys; (3) Shipped too suddenly; (4) Promised too high wages; and Faults of Placement, (1) Employers not fully aware of the limitations of the labor; (2) Labor not aware of what they're getting into; (3) Situation not thoroughly talked over between employer and laborer with Farm Security person present; (4) Insufficient follow-up to work out differences as they develop before they become too serious." Quoted from letter, 20 March, 1943.

¹⁶ "Portland, Oregon, Job Utopia with about 50,000 openings," *The Christian Science Monitor*, 18 March, 1943, p. 1.

¹⁷ Paul Landis "The Case for Internal Migration," *Survey MidMonthly*, Vol. 79, pp. 74-76, March, 1943.

Business Proposals for a Controlled Market After World War I¹

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The social climate of the early postwar period is difficult to analyze and evaluate in a spirit of fairness and objectivity. The World War with its great democratic idealism had brought about many changes, at least outwardly, in industrial relations and attitudes, changes which were definitely in the direction of industrial democracy. For the first few months after the Armistice there was much high-sounding idealism about the birth of a new order in which democracy and brotherhood would reign. When it came to actually giving practical expression to this idealism, however, there was a conspicuous lack of good faith in the part of some who had been loudest in praise of the coming of the new day. On the other hand, there was evidence that a large segment of business leaders was conscientiously attempting to work out a new system of industrial relations on democratic principles. Thus it appeared that while some business leaders were sincere in their professions of a new day in industry, other leaders were merely seizing on some of the high-sounding phrases of the moment in an effort to capture popular acclaim, hoping that the spirit of brotherhood born of the war would disappear with the return to normalcy.

The same kind of problem of new symbols and mixed motives is presented in the analysis of the controlled market. Much idealism was uttered concerning the new-found spirit of cooperation, and the necessity for preserving the lessons of wartime cooperation as permanent peacetime policy. There was no doubt that great social benefits had resulted from the suspension of competition during the war and the inauguration of cooperation on a large scale. It was also true that corporations had made great profits through wartime cooperation. When peace returned and the old question

¹ This paper is based on a study of demobilization to be published by the American Council of Public Affairs in the near future. The writer wishes to acknowledge the many helpful suggestions and criticisms of Dr. H. Gordon Hayes, Robert A. Patton and Edwin L. Smart of Ohio State University.

of reviving the anti-trust laws loomed as a major issue, business was more convinced than ever that competition was evil and co-operation good.

Business, of course, was not advocating complete abolition of competition and inauguration of a system of cooperation in the socialist or communist use of the term. What business men did want, however, was the right to cooperate among themselves on matters in which cooperation was desirable to them, and to be left free to compete in those areas where they desired to compete. Just what safeguards to the public interest were to exist under such a system were not entirely clear, but business men believed that some kind of reorganized Federal Trade Commission composed largely of business men, or at least of members sympathetic with business problems, would be adequate to protect the public interest and provide a system of control as a substitute for automatic regulation by natural forces. To what extent the motivation of business men was a sincere attempt to evolve a new system of social controls for the corporate system, to what extent the spirit of cooperation was to embrace relations with labor unions, to what extent the motivation was a continuation of the pre-war attitude of getting something for nothing through combination and collusion, was not altogether clear.

The spirit of cooperation which had such widespread expression among business men in the postwar period had its roots deep within the industrial revolution itself. Machine technology had provided the basis for a prodigious expansion of rising capitalism at the close of the eighteenth century, with the result that for a long time the most prominent feature associated with industrialism was competition. Basically the spirit of industry, as distinguished from the spirit of business, was cooperative and not competitive.²

As an industrialism expanded at a geometric ratio through the agency of the corporation which enabled large aggregations of

² See Thorstein Veblen, *The Theory of Business Enterprise*, New York, Scribners, (1904); Also Lewis Mumford, *Technics and Civilization*, New York, Harcourt Brace, (1934).

capital to be centralized under one management, cooperative tendencies gradually began to manifest themselves. The change was rapidly accelerated in the 1870's and 1880's when the captains of industry launched their great trust movement. Combinations, pools, trusts, and holding companies became the order of the day within the business world. Those who retained a belief in the free market rose in protest against this encroachment of business magnates on the sacred ground of natural forces, and dictated the Sherman Anti-Trust act of 1890. From this time on, there was a constant struggle between those who were attempting to preserve the processes of competition and those who advocated combination and cooperation.

A temporary compromise between the two contending parties was reached in 1911 when the Supreme Court enunciated its famous rule of reason—that not all combination but only unreasonable combination in restraint of trade was criminal conspiracy. Beginning then with the Wilson Administration in 1913, a succession of eleven legislative acts was passed which attempted to recognize and deal forthrightly with the cooperative tendencies of the modern business system. The most important of these were the Federal Trade Commission Act of 1914, the Clayton Anti-Trust Act of 1914, and the Webb-Pomerene Export Combination Act of 1918.³

American entrance into the war brought an urgent need for cooperation in all sectors of the economy. Overnight the government was forced to do the very things that it had long prohibited business from doing under the anti-trust laws. The railroads, the telephone and telegraph systems, and the shipping industry were taken over by the government and combined in order to achieve maximum service and output and eliminate many competitive inefficiencies. Hundreds of industries were organized for the first time into national associations at the suggestion of and under the supervision of the government. Uniform prices were fixed; output was pooled; markets were divided; methods of distribution were agreed

³ An excellent chronology of legislation altering law based on competitive economy to a law based on a controlled economy is to be found in "The Sherman Anti-Trust Law and Readjustment," Rush C. Butler, Chairman of the Federal Trade Commission within the U.S. Chamber of Commerce, *Annals of the American Academy of Political and Social Science*, March, 1919, pp. 220-4.

upon; competition was practically eliminated; and government supervision, direction, and control made the basis of most economic activity. Through a comprehensive system of business and government cooperation, results were achieved that could have been secured in no other way.⁴

The significance of this cataclysmic change in American business practice is difficult to appreciate fully. Although business could be expected to return to many of its pre-war practices and attitudes after the war emergency had passed, it could not fail to take with it many of the techniques of group control that it had learned during the war. For example, the newly organized trade associations had within them great possibilities for good to society as long as they passed on the economies of group action to the public. But the tremendous economic power gained through associations made them also a grave threat to the public interest. In fact, it appeared to many as if they might become far more significant than the old trust and combination had ever been in fixing prices and controlling markets. The economic controls of trade associations were "more illusive and far more difficult to detect than control of price resulting from actual stock acquisitions in competing companies."⁶ Moreover, trade association control of price was relatively simple in many kinds of industry where action by combination would be next to impossible.

The bluntness with which business leaders dealt with the issues of competition and cooperation was little short of stunning in an age when the man in the street still considered competition the life of trade. For example, Charles Sabin, President of the New York Guaranty Trust Company, with deep insight into the structure of the modern economy said,

⁴ See for example, M. L. Requa, "Wanted: A High Court of Commerce," *Nation's Business*, January, 1919, p. 23. In this regard Bernard Baruch said, "Many business men have experienced during the war, for the first time in their careers, the tremendous advantages, both to themselves and to the general public, of combination, of cooperation and common action, with their natural competitors." *American Industry in the War*, New York, Prentice Hall, 1941, p. 105.

⁶ "Trade Associations, A Menace to Economic Readjustment," *Annalist*, 29 July, 1919, p. 102.

"... The war has taught us that competition and individual action must yield to cooperation and coordination; we should likewise recognize that freedom includes the liberty to combine as well as to compete.

"Certainly, the national crisis through which we have just passed has proven beyond even the shadow of a reasonable doubt that, if the Sherman Law is not legally unconstitutional, it is most assuredly economically and logically 'unconstitutional,' and should be repealed."⁷

Observe also the response of the *Iron Age*, when Attorney General Gregory announced on January 1, 1919, that the Sherman and Clayton Antitrust laws were still in force.

"So far as the iron and steel trade is concerned, the Sherman Law will be obeyed, but the spirit of cooperation engendered first during the Gary movement [a movement involving informal price control through gentlemen's agreements] following the panic of 1907 and later carried to a greater extent during the war will abide."⁸

In other words, while the letter of competition might be observed under the Sherman Act, the spirit of competition was dead.

It is extremely doubtful, however, if the remedy which business men proposed was gauged to the seriousness of the problem, or if the suggested system of cooperative controls was an adequate substitute for automatic regulation by the free market.

Although there was much talk about a new system of cooperation, almost the only form of control specifically proposed by business groups as a substitute for the natural forces was an enlarged Federal Trade Commission. As early as 1917, the United States Chamber of Commerce had been committed by referendum to remedial legislation to permit cooperative agreements under federal supervision in industries which involved primary national resources. At its national Reconstruction Congress in December, 1918, the Chamber again went on record for "adapting effective war practices to peace conditions through permitting reasonable cooperation between units of industry under appropriate federal supervision."⁹ In February the Chamber took another referendum

⁷ Charles Sabin, *Self-Determination for Business*, Guaranty Trust Co., 10 December, 1918, p. 2. The National Association of Manufacturers Committee on Readjustments after the War boldly declared that it was "an age in which combination is the order of operative activity," *Commercial and Financial Chronicle*, 31 May, 1919, p. 2200.

⁸ "Reviving the Sherman Law," *Iron Age*, 9 January, 1919, p. 136.

⁹ U.S. Chamber of Commerce, "The Resolutions of the War Emergency Congress of the U.S. Chamber of Commerce," *Annals of the American Academy of Political and Social Science*, January, 1919, p. 149.

on the subject. The returns showed overwhelming majorities in favor of immediate reconsideration of the antitrust laws by Congress, and the formulation of standards of business conduct which should be administered by the Federal Trade Commission enlarged to nine members.¹⁰

The National Association of Manufacturers proposed an administrative tribunal similar to that recommended by the Chamber of Commerce declaring "it to be an axiomatic truth that we have passed the period of compelled competition."¹¹ The Federal Trade Commission, the proposed supervisory body of such legislation, also endorsed the principle of reasonable price fixing under government supervision. Similar legislation met the wholehearted approval of the round table discussion group of the American Economic Association at its annual Christmas meeting in December, 1919.¹² Proposals for cooperation under federal supervision were also agreed upon by coal employers, meeting with Fuel Administrator Garfield and representatives of the United Mine Workers' Union, February 11-14, 1919.¹³ Finally on two different occasions President Wilson recommended a federal license for corporations engaged in interstate commerce, placing them under federal supervision and permitting cooperative agreements to be formed.¹⁴

¹⁰ *New York Times*, 3 February, 1919, p. 10; also U.S. Chamber of Commerce, *Report of the Seventh Annual Meeting of the U.S. Chamber of Commerce*, April 29-30, May 1, 1919, p. 37.

¹¹ "Report of the Committee on Readjustments after the War," National Association of Manufacturers, presented to national convention, *Commercial and Financial Chronicle*, 31 May, 1919, p. 2200.

¹² Round Table Discussion on "Competition, Cooperation and Monopoly," *American Economic Review*, March, 1920, Supplement, p. 213.

¹³ In the course of the meeting the coal operators uniformly expressed opposition to competition. Mr. Warren in referring to competition said that "One might call it the laissez be damned principle." H. A. Garfield, *Final Report of the U.S. Fuel Administrator, 1917-19*, U.S. Printing Office, 1921, p. 162.

Another operator, Mr. Barker, said, "As a lad I was taught that competition was the life of trade. Then I launched into the coal business and was taught it was the death of the trade . . . I have convinced myself that I am willing to take my chances with the pit-falls of the new road, because I know so well the rocks of the old one." *Ibid*, pp. 139-40.

¹⁴ "To Point the Straight and Narrow Way for Corporations," *Annalist*, 18 August, 1919, p. 195; also *Public Papers of Woodrow Wilson*, Vol. VI, Ray S. Baker and William E. Dodd, editors, Harper, 1927, pp. 436-7.

In view of the widespread advocacy of an about face in our treatment of the corporation and the trust, it appears somewhat strange that Congress took no action on these proposals.

Looking at the postwar problems of competition and cooperation from the vantage point of 1943, it is a tragedy that a new social role was not fashioned for the corporation after the war, and experimentation begun on a system of social controls that would have permitted and encouraged cooperative practices in business, yet adequately protected the public's interest. There were, however, some very definite reasons why business men's efforts failed to secure a repeal of the anti-trust laws. Probably the most important factor was the laissez-faire philosophy in which business men themselves had sought refuge immediately after the war. To oppose a continuation of government regulation and supervision through the transition period did not appear consistent with the advocacy of a new era of government supervision of corporations and combinations. President Wilson had taken the harness off of business in order to give full scope to the private initiative of the spirited business man. He was clearly relying on the natural forces of supply and demand to carry the country safely through the readjustment period. The idea that a controlled market instead of a free market was the means of securing an orderly demobilization was entirely foreign to the Wilsonian theory of demobilization and reconstruction. Yet it must be remembered that Wilson's policy had been urged with great vigor by most business men in war work. It was a course that met the approval of Congress, and it expressed a theory that appealed to the country as up-to-date Americanism.

There was also the inevitable cultural lag in the development and spread of new ideas. Business men, close to the problem and sensitive to the changing needs of the modern industrial civilization, had been gradually changing their attitudes and practices over a long period of time. Moreover, their wartime experience had thrown them directly into contact with the experience of cooperation and they had immediately recognized its superior values. But the public and Congress had not had that experience. They had not been close to the problem, and consequently, were not aware

of the profound changes taking place within the economic structure. Although the public was certainly aware of the great achievement of wartime cooperation, it did not perceive any real means whereby these values could be preserved in peace. It feared that cooperative controls under business domination would legalize monopolistic exploitation, while cooperative controls under the government would lead to socialism or Bolshevism. Thus the only alternative which promised to protect the public interest seemed to be a return to pre-war days of competition and anti-trust. The possibility of preserving the values of wartime cooperation and of developing a system of democratic, cooperative controls through a joint participation of business, labor, government, and consumers had not yet come within the public's conception. As a matter of fact, no concrete proposal of this kind was ever made. To accomplish such a fundamental change as going from a theory of free market controls to a theory of cooperative controls required far more than a few months of vigorous business agitation.

Thirdly, the failure to solve the high cost of living problem destroyed all the preparation that had been made in the direction of a new policy for combination. High prices are always an occasion for consumer dissatisfaction and outbursts against the profiteer, the soulless corporation, the money changers, the octopus trust, etc. When the high cost of living broke into the headlines in late July, 1919, as America's No. 1 economic problem, the business men were the first to be made the scapegoat.¹⁵ The meatpacking industry made sensational news week after week following the publication of the Federal Trade Commissions report of its two year old investigation of that industry. Profiteers in general were made the butt of public indignation. In short, there followed a revival of the anti-trust, muckraking era of the 1890's and the early 1900's, with all corporations and combinations, good and bad, marked for the slaughter.

Another reason why business proposals were not adopted was the unwillingness of business to extend to other economic groups the same powers and privileges that it secured to itself through

¹⁵ See E. Jay Howenstine, "The High Cost of Living Problem After World War I," *Southern Economic Journal*, January, 1944.

the use of group action and cooperation. For example, the following resolution, presented by the employer's group at the President's First Industrial Conference, displayed a conspicuous failure to apply to their own activities the criteria that they were urging for labor unions.

"There should be no intentional restriction of productive effort or output by either the employer or the employee to create an artificial scarcity of the product or of labor in order to increase prices or wages, nor should there be any waste of the productive capacity of industry through the employment of unnecessary labor or inefficient management.¹⁶

The purpose here was obviously to appeal to labor groups in the country to withdraw voluntarily different types of restrictions which they had set up to protect themselves in a limited market. If this were done, the resulting increase in output and the fall in costs would have helped considerably in lowering the high cost of living. But while unlimited competition among laborers was recommended by the employers as sound practice there was no attempt on their part to apply the same criterion to their own productive efforts. Yet measured in the aggregate the amount of labor restrictionism resulting from trade union regulations and unorganized soldiering on the job was insignificant in comparison with the intentional restriction of production in which the employer was continually engaging whenever orders fell off or profit prospects were not up to expectation. A sincere consistency would seem to have demanded that the employers engage in unlimited competition to the same extent that they advocated it for labor, or else openly grant labor the same right of cooperation and concerted action that they themselves exercised and desired to make legal.

The same contradiction was found in business attitudes toward combination and cooperation when practiced by the farmer. The business community loudly applauded Governor Allen's severe denunciation of cooperation and restrictionism by the South Carolina Cotton Association.

¹⁶ Employers' Group, "Statement of Principles Which Should Govern the Employment Relations in Industry," *Proceedings of the First Industrial Conference*, Department of Labor, October 6-23, 1919, p. 80.

"That any group of men should suddenly after the conclusion of the war and while the world is still grappling with the tremendous problems arising from the shortage of staple commodities, begin a deliberate organization to retard production is unspeakable. It is one of those distressing incidents which show how easily men, in their greed, forget the lessons which should have been learned along the path of suffering and common sacrifice."¹⁷

Yet reprehensible as was restriction of cotton production for the purchase of protecting profit margins in a time of great need, was it any more unspeakable than a similar restriction of industrial production? Actually cotton acreage and production were respectively only 6 and 5 per cent less in 1919 than in 1918,¹⁸ while at that very time industrial production was being curtailed 25 to 50 per cent.

Furthermore, the business proposals for a controlled market did not provide adequate protection of the public's interest. In substance what the captains of industry desired was legal recognition for practices that were considered collusion and conspiracy under the antitrust laws in exchange for a mild kind of supervision by a business-dominated administrative body. There was little evidence to indicate that they expected to assume duties and obligations to the government commensurate with the rights and immunities that they expected to receive. Secretary of Commerce William Redfield, himself a prominent business man, described the new system of cooperation as follows:

"By cooperation I do not now mean the development of co-operative societies in which Russia has been the leader . . . I refer rather to a new business standard hardly formulated yet, but none the less really operative, whereby industry and commerce recognize three-fold obligations and endeavor frankly to adjust themselves to them. These obligations are those to the public (including the government), to labor, and to the owners of the business—that is to say to business itself. These obligations make a true trinity, one and indivisible, inseparable, distinct, yet interwoven."¹⁹

The proposed system of cooperation *already* operating, though lacking legal sanctions, was, however, just a one-way process. Only

¹⁷ *New York Times*, 6 April, 1919, Section 2, p. 11.

¹⁸ *Yearbook*, Department of Agriculture, 1935, p. 426.

¹⁹ William Redfield, "The Letter Killeth—," *Nation's Business*, June, 1919, p. 31. See also, "The New Competition," *Printer's Ink*, 2 January, 1919, p. 68-9; Horace Atkinson, *Readjustment*, National Association of Manufacturers, 10 December, 1918, p. 37.

business men were to have the right to cooperate in building a new world. The other two parts of the indivisible trinity, government and labor, were not to participate organically in the new system of cooperation, but were merely to hope and pray and be thankful for all the wonderful benefits that business cooperation had in store for them. Business of course was to regard all its obligations to government and labor as a high trust, but if these obligations were not discharged in a satisfactory way there was little that government or labor could do about it.

If their demands had been granted by Congress or the people, corporations and combinations would have been in a position to exercise almost unlimited power in the control over economic forces. No matter how benevolent business expected to be in the use of that power, no amount of rhetoric could have masked the fact that in such a system business men would openly and deliberately control economic forces primarily in their own interests, with no significant participation of either government or labor in the process. To use the idealistic conception of cooperation to describe such a system of economic control was to use it in a special sense indeed.

Finally, business proposals were not adequate substitute for the system of natural forces they were destroying. Just because a particular plan might have been highly beneficial to a certain part of society or because that plan might have had the unqualified acceptance of a majority of the people, there was no assurance at all that it was conducive to economic equilibrium in the economy as a whole. Capitalism developed under a free market. As long as a really free market continued to exist the natural forces of supply and demand automatically brought about a state of prosperity and full employment. But once the economic controls of powerful individuals, groups, or the government began to interfere with the processes of competition there was no longer continuous prosperity. The greater the interference with the processes of the free market, the more frequent and the more severe were panics, depressions and unemployment, that is, assuming that some alternative system of sound economic control had not been put into effect.

What business men failed to see was that their own cooperative

controls upset the economic system just as much as if government or labor were to have used them, and the fact that it was done by them rather than by some outside agency like government or a union did not alter the economic character of the controls or their destructive effect on the free market. If the government or labor unions had been condemning competition in precisely the same terms that business men were attacking it, and if they had been proposing a somewhat similar system of cooperation but with proper safeguards of the public's interest, these same business men would likely have denounced such action as socialism or Bolshevism. In fact, this very kind of attack was launched against President Wilson in the early days of peace, when there was a widespread expectation that he would propose a system of planned economic demobilization. In other words, the proposals of business men as a whole were not promoted by the desire to evolve a new system of social controls for the corporate business organism in the public interest, but were largely based on selfish motives of increasing power and profits and avoiding the unpleasantness involved in the anti-trust laws.

The business men of the time never saw clearly that if the natural forces of the free market were openly or deceptively destroyed to any appreciable degree by economic controls of either powerful individuals, groups, or the government, some kind of system of economic planning would have to be initiated by the state in order to assure continued coordination of economic processes. Otherwise, conflicting patchwork controls exercised by private individuals and groups would be certain to precipitate frequent and severe panics, depression, and unemployment.

Logically, those parts of the business community which were advocating the new era of cooperation should have at the same time renounced openly their faith in the natural forces of the free market. But one searches in vain through the business literature of the period for this kind of admission. Either the functioning of our economy was not understood by business men, or it was not considered expedient to renounce the one vital symbol with which vested interests could beat off arbitrary interference by government or labor unions. An example of the failure of busi-

ness men of the time to integrate the two conflicting theories of the free market and the controlled market may be found in a speech by Francis Sisson, vice-president of the Guaranty Trust Company of New York. In one breath he blasted the idea of competition.

"Our existing anti-combination legislation is not only out-of-date, but a positive menace to our industrial and commercial future. We cannot adequately cooperate outside of the United States if we are compelled to indulge in costly and uneconomic competition within the United States . . .

Yet in the next breath he reaffirmed his faith in the regulatory power of the natural forces.

"I am a firm believer in the regulatory efficacy of basic economic law."²⁰

The business man did not see that if he were to renounce once and for all the free market as the means for securing economic equilibrium, and live in an economic society with a mixture of competition and cooperation, he opened the door directly to the great problem of human control. It was no longer a matter of the beneficent operation of mysterious competitive forces, but a question of deliberate, intelligent, democratic control of the competitive and cooperative processes of business in the interests of the public as well as of the business man himself. It is therefore not surprising that the business proposals of a new era of cooperation failed to elicit any support from those parts of the population that were interested in evolving a system of genuine democratic cooperation.

In conclusion the movement among American business men for a new system of cooperation failed because it expressed only a half-truth. Many of the progressive business men of the time were leading the movement. They recognized that the evolving tendencies of an industrial, corporate civilization were carrying capitalism in the direction of some type of cooperative economy. The lessons of the war had reinforced their belief that the natural forces of the free market no longer functioned, and had demonstrated the superior social and individual values of cooperation as compared with competition.

²⁰ *Journal of Commerce and Commercial Bulletin*, 19 December, 1918, p. 2.

But the proposed plan of cooperative controls failed not only in providing a proper safeguard of the public interest, but also in presenting an adequate substitute for the automatic controls of the free market. Consequently, little support was received for the proposals outside their own circles. On the one hand, the group of business leaders that still believed in a consistent laissez-faire policy opposed all such moves toward a system of open control. On the other hand, those groups in the economic system that were interested in evolving a more thorough-going system of cooperative control, e.g., labor unions, farm organizations, liberal and radical groups in general, could not have been expected to support the business proposals in view of their inadequacies.

The controversy and confusion over the issue of the free market vs. the controlled market was basic to the price problem which dogged political and business leaders throughout the transition period. Although Wilson had made a clear-cut commitment to the automatic forces of the free market, the fact that the free market no longer existed prevented a price readjustment from taking place through natural processes immediately after the war. And the fact that no attempt was made to secure a readjustment through a system of sound economic planning prevented a solution of the price problem through orderly economic control. As a result the government tried first one plan and then another, only to have all of them fail because the basic problem of economic forces was never understood nor attacked.

Internal Irish Organizations During the Eighteenth Century

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II

Political clubs also were organized in Ireland. Since there was a strong spirit of republicanism in Belfast, Charlemont thought that a "Whig Club" there would help to do away with the revolutionary ideas which might lead to separation from England⁷⁶ He had already been active in forming such a club in Dublin. Edmund Burke thought Charlemont had acted with "zeal and judgment" in this case.⁷⁷ The Whig Club in Dublin included the leading members of the opposition in both houses of parliament and many out of parliament; among them George Ponsonby, Henry Grattan, and Curran.

In 1790 the Belfast Club resolved that "when an unmasked and shameless system of ministerial corruption, manifests an intention to sap the spirit, virtue, and independence of parliament, it is time for the people to look to themselves."⁷⁸ They made a further statement that

"The third estate of Parliament no longer exists. The power of regenerating it reverts to you, and never was a wise, a faithful, a spirited use of that power more loudly called for. The corrupt support given in the last session, by placed and pensioned majorities, without pretension to agreement, decency, or ability, to an administration equally destitute of them all, in measures avowedly hostile to the rights, liberties, and prosperity of this country, proclaims your danger, points out your defense, and challenges your best exertions. In the name of your country then we call upon you to support the rights of Ireland, to exert the important privileges of freemen at the ensuing

⁷⁶ Hardy, *op. cit.*, 2:194. A few of the original members of the Northern Whig Club are: Lord Charlemont, Lord De Clifford, Lord Moira, Rt. Hon. John O'Neill (Lord O'Neill), Rt. Hon. H. L. Rowley, Archibald Hamilton Rowan, Hon. Robert Stewart (Lord Castlereagh), William Todd Jones, Hon. E. Ward, Hon. R. Ward, *et al.* Reynolds, *op. cit.*, 2:557.

⁷⁷ Hardy, Francis, *Memoirs of the Political and Private Life of James Caulfield, Earl of Charlemont*, 2nd. Ed., (London, 1812), 2:219.

⁷⁸ Madden, R. R., *The United Irishmen, Their Lives and Times*, (London, 1842), 1:115; Reynolds, *op. cit.*, 2:554-7.

election, and to proclaim to the world that you deserve to be free. Guard your share in the legislature as the great distinction between our Constitution and a tyranny. Preserve it equally from the inroads of the crown and of the aristocracy."⁷⁹

Little was accomplished at the time, as many other problems were occupying the minds of the people.

Other organizations—the Masonic Lodge, the Association of the Friends of the Constitution, Liberty and Peace, literary societies, and many others—expressed their views on the various subjects of the day. Each had its importance in affecting a small group, but did not enter into the activity of all Ireland.

The Masonic Lodge met at Dungannon in Tyrone County on January 7, 1793. Fourteen hundred thirty-two members representing thirty-one lodges were present. The delegates resolved

"1st. That we honour our King, George III, and will zealously support his just prerogatives, as well as the hereditary succession of his family to the Crown.

"2d. We wish to perpetuate the form of government, consisting of the three branches, a King, Lords and Commons, but the latter must be freely and frequently chosen by the people, and obedient to their instructions.

"3d. We love our brethren the Volunteers of Ireland, applaud their upright conduct, and will co-operate with them as the guardians of this kingdom . . .

"4th. We deprecate a revolution, as both unnecessary and ineligible for our country. . . .

"5th. Respecting the freedom of the Press, as the palladium of liberty, we view with concern the many attacks of late made upon it. . . ."⁸⁰

They also agreed upon a declaration⁸¹ and an address to all the Free and Accepted Masons of Ireland. In part this address read:

"We are no advocates of passive obedience and non-resistance, fealty to our Sovereign does not require us to support corruption. So long as the vices of man render government necessary, it ought to be framed for the good of nations, not for oppression to the many, and the aggrandizement of a few.—Ah! how could any of you, whose benevolence should be extensive as the

⁷⁹ Reynolds, Thomas, *op. cit.*, 2:554-7. At the meeting where these statements were drawn up, the following were among the toasts of the day:

"President Washington, and the United States of America."

"A happy establishment of the Gallic Constitution."

"Freedom to the Brabanters [Irish]."

"Our Sovereign Lord, the People."

⁸⁰ Seward, W. W., *Collectanea Politica*, Dublin, 1801, 2:338-43.

⁸¹ "I solemnly promise and declare, that I will by all rational means promote the universal emancipation and adequate representation of all the people of Ireland, and will not be satisfied until these objects shall have been unequivocally obtained, and I entertain no desire of subverting the present form of government, consisting of King, Lords, and Commons."

habitations of man, behold two-thirds of your countrymen, miserable, oppressed, and naked, literally feeding on potatoes, . . . labouring under sanguinary penal laws, taxed without being represented, unable in sickness to procure assistance, obliged in herds annually to desert their hovels at the approaching ravage of the hearth-collectors, who merciless too often, rob their bed of hearth or its only covering—could you behold these and say the people are happy, rich, and prosperous?"⁸²

The Association of the Friends of the Constitution, Liberty and Peace also met in January, 1793, and unanimously agreed upon an address to the people of Ireland, concluding,

"We must give information to your real, and take away excuse from our pretended friends:—we must strengthen the sincere, and animate the lukewarm; and, above all, we must deprecate half-measures: and let the government of this country know, that no palliative will be suffered to feed and keep alive the present morbid system of representation. We do again recommend the formation of societies for the purpose of investigation and conference. The difficulties of this arduous business will the less obstruct its progress, when the talents of the nation are every where exerted in surmounting them; and we doubt not, that the united exertions of the people of Ireland will . . . with the co-operation of parliament, accomplish reform, which for ages may withstand the decay of time, and the inroads of corruption."⁸³

Mentions have been made of one other organization, the United Irishmen, in connection with the earlier societies. It is not intended to give anything that approximates a complete account of this group here.⁸⁴ Their activities were far too complex to treat in toto in this short space. Especially is this true of their part in the insurrection of 1798. The reasons they organized, the group involved, and their expressed purposes will be some of the important aspects touched upon here.

Although the original plan of the association was circulated in Dublin as early as June, 1791, it was not until October 14 of the same year that the actual founding of the United Irishmen took place. The two men responsible for the first organization at Belfast were Theobald Wolfe Tone and Thomas Russell.⁸⁵ After remaining three weeks in Belfast to see that all was well in the

⁸² Seward, *op. cit.*, 2:338-43.

⁸³ *Ibid.*, 335-8.

⁸⁴ For a far more complete treatment of the United Irishmen see Madden, *op. cit.* and Jacob, Rosamond, *The Rise of the United Irishmen, 1791-94*, (London, 1937).

⁸⁵ Reynolds, *op. cit.*, 1:135; Musgrave, *Memoirs of the Different Rebellions*, 98.

new society, Tone went to Dublin and, with Simon Butler acting as chairman and Napper Tandy as secretary, started the club there on November 9, 1791.⁸⁶

The idea of forming United Irishmen Societies spread quickly throughout Ireland. Tone wrote his wife at the end of 1791 that "we have pretty well secured all Connaught, and are fighting out the other two provinces. It is wonderful with what zeal, spirit, activity, and secrecy all things are conducted."⁸⁷ The movement extended rapidly in Ulster. Connaught followed closely while Munster and Leinster accepted more slowly.⁸⁸ Leinster however made up for slowness in acceptance by later intensity. George Taylor, in writing of the Rebellion of 1798, said that Wexford, a county in the Province of Leinster, had been disturbed in turn by White-boys, Steel boys, Oak Boys, Right Boys and Defenders, "until at length they were all drawn into the great vortex of the United Irishmen."⁸⁹

Throughout 1792 new groups were constantly being reported as started at various places.⁹⁰ This is to be little wondered at because the peasantry were being oppressed in the 1790's as much as ever. The *Northern Star* in March 1792, reported that in Sligo, "a few days since a dreadful massacre was perpetrated in a village in that vicinity, by a party of the military upon the unarmed inhabitants." It went on to say, "the poor peasantry in that, as in every other part of the country, have . . . flattered themselves with the hope of being freed from the oppression of hearth-money." However, Daemon, the "hearth-money man," appeared in Sligo and exploded the hopes of the people, and his seizure "of the

⁸⁶ Tone, Theobald Wolfe, *The Letters of the Wolfe Tone*, edited by Bulmer Hobson, (Dublin, n.d.), 14; Reynolds, *op. cit.*, 1:135; Musgrave, *Memoirs of the Different Rebellions*, 98-9.

⁸⁷ Tone, *Letters*, 15-6.

⁸⁸ *Ibid.*, 14.

⁸⁹ Taylor, G., *History of the Rise, Progress, and Suppression of the Rebellion* (Dublin, 1829), 5.

⁹⁰ These include one at Six-mile-water near Doagh, a third society in Belfast and one at Clonmel in Tipperary County. *Northern Star*, No. 9, 28 Jan., 11 Feb., 1792 and No. 27, 31 Mar., 4 Ap., 1792.

wretched furniture of some poor families for the tax, so exasperated the peasantry, that some of them attempted to rescue the distressed," and a conflict between soldiers and peasants resulted.⁹¹

At Belfast, "the avowed object was to form a union of all parties in Ireland, whether Protestant of the Established Church, Protestant Dissenter, or Roman Catholic, for the purpose of obtaining, by their joint endeavours, the entire emancipation of the Catholics, and a reform of the Irish House of Commons."⁹² The Dublin Society on December 30, 1791, agreed that "the object of this Institution is to make an United Society of the Irish Nation, to make all Irishmen—Citizens; all Citizens—Irishmen."⁹³ This idea was quickly accepted, and Protestants and Catholics came together in a "new and firm union."⁹⁴ By April, 1792, the *Northern Star* claimed, "The progress of that philanthropic and liberal spirit manifested by the friends of freedom, the UNITED IRISHMEN, which has already *contributed*, and will eventually *accomplish* the liberation of the Catholics and the liberalization of the Protestants, seems to be gradual, from North to South."⁹⁵

The Belfast Society enlarged upon the ideas of Catholic emancipation and parliamentary reform. They said: "In the present just aera of reform . . . we think it our duty as Irishmen to come forward and state what we feel to be our heavy grievance, and what we know to be its effectual remedy." The United Irishmen felt they had no national government but were "ruled by Englishmen . . . with the short-sighted and ignorant prejudices of their country." This power can be resisted with effect solely by *unanimity, decision, and spirit in the people*, qualities which may be exerted most legally, constitutionally, and efficaciously, by that great measure essential to the prosperity and freedom of Ireland, *a more equal representation of the people in Parliament.*" Therefore, they agreed to "steadily support and endeavor by all due means to carry into effect" these resolutions:

⁹¹ *Ibid.*, No. 26, 28 Mar.- 31 Mar., 1792.

⁹² Reynolds, *op. cit.*, 1:135.

⁹³ *Northern Star*, No. 3, 7 Jan.-11 Jan., 1792.

⁹⁴ Tone, *Letters*, 14.

⁹⁵ *Northern Star*, No. 27, 31 Mar.-4 Ap., 1792.

"1st. Resolved—That the constitution of Ireland exists only in theory, inasmuch as the people are deprived of their natural weight in the scale of government, because they are not duly represented in Parliament, and therefore that a more general extension of the elective franchise is indispensably necessary.

"2nd. Resolved—That the weight of English influence in the government of this country is so great as to require a cordial union among the people, to maintain that balance which is essential to the preservation of our liberties and the extension of our commerce.

"3rd. Resolved—That satisfied as we are that the true greatness and happiness of Ireland can arise solely from a complete internal union of all her people, we lament the mistaken policy which has so long divided them, and that we shall heartily co-operate in all measures tending to the abolition of distinction between Irishmen, equally invidious and unjust, and which have been uniformly the source of weakness and misery, and disgrace to the country."⁹⁶

At the meeting of United Irishmen in Dublin on November 9, 1791, they agreed to a declaration which included that of the Belfast club a few days previous. In addition, they declared the members of the Irish House of Commons "consider themselves as the representatives of their money, as the hired servants of the English government; whose minister here is appointed for the sole purpose of dealing out corruption to them—at the expense of Irish liberty, Irish commerce, and Irish improvement." They continued:

"In this state of abject slavery, no hope remains for us, but in the sincere and hearty union of all the people, for a complete and radical reform of parliament; because it is obvious, that one party alone have been ever unable to obtain a single blessing for their country; and the policy of our rulers has been always such, as to keep the different sects at variance, in which they have been but too well seconded by our own folly."⁹⁷

In a circular letter written by the corresponding committee of Dublin the situation was summed up:

"We know that there is much spirit that requires being brought into mass, as well as much massy body that must be refined into spirit.—We have many enemies, and no enemy is contemptible; we do not despise the enemies of the union, the liberty and the peace of Ireland, but we are not of a nature, nor have we encouraged the habit of fearing any man, or any body of men, in an honest and honourable cause. In great undertakings like the present, we declare that we have found it always more difficult to attempt, than to accomplish. The people of Ireland must perform all that they wish, if they attempt all that they can."⁹⁸

⁹⁶ Reynolds, *op. cit.*, 2:547-9.

⁹⁷ Musgrave, *op. cit.*, App. VI, 13-15.

⁹⁸ *Ibid.*, App. VIII, 20.

From 1791 to 1793 agents of the United Irishmen were extremely active in spreading the principles and ideas of the organization. As early as 1792 emissaries were sent to various regiments of the militia in an attempt to seduce non-commissioned officers and privates.⁹⁹ It seems evident that in the yeoman corps of such places as Dublin and Tipperary the Catholic members had taken the United Irishmen oath "and were determined, in violation of their oath of allegiance, to join in subverting the Protestant State."¹⁰⁰ Many addresses and circular letters¹⁰¹ were written and published in such papers as the *Northern Star*, the *Union Star* and the *Hibernian Journal*.¹⁰² Since great numbers of peasants joined following the appearance of these publications, the Irish Parliament passed an act limiting the liberty of the press. This was ineffective, however, as handbills were printed and circulated.¹⁰³

The United Irishmen were, in the early period, largely under the guidance of the Presbyterians¹⁰⁴ of Ulster, instilled with the ideas of republicanism by the American revolution, and further inspired by the French revolution. Although one of the avowed principles was Catholic emancipation, the Catholic clergy, as a whole, did not support the idea of separation. However, Catholic priests acted

⁹⁹ Cornwallis, *Correspondence of Charles, First Marquis of Cornwallis*, edited by Charles Ross, 2nd edition (London, 1839), 2:340.

¹⁰⁰ Veridicus, *A Concise Account of the Material Events and Atrocities which Occurred in the Late Rebellion*, 3rd edition, (Dublin, 1799), *op. cit.*, 56.

¹⁰¹ These addresses included an address on the grievances of the Roman Catholics on Sept. 14, 1792, an address to friends in London, Oct 25, 1792, an address for reform in Scotland on Nov. 23, 1792, a circular letter to all United Irish societies on Nov. 30, 1792, an address to the Irish nation on Jan. 25, 1793, and an address to the British convention who had affiliated with them. Musgrave, *op. cit.*, 98-9.

¹⁰² The *Hibernian Journal* of Feb. 21, 1792, carried a resolution signed by Tone and Rowan to this effect:

"That the Exercise of undefined Privilege is as dangerous to the Liberty of the Subject, as the Exercise of unlimited Prerogative, and equally unrecognized by the Spirit of the Laws and Constitution.

"That having associated for the Attainment of great National Objects, and to Promote Union among Irishmen of all religious Persuasion, this Society is entitled to the Respect which Objects of Importance naturally claim."

¹⁰³ Reynolds, *op. cit.*, 1:179.

¹⁰⁴ It is claimed that many Presbyterians in Belfast promoted the scheme. Cornwallis, *Correspondence*, 2:340.

as leaders in some of the counties where Catholics were in great predominance. It was largely a movement of Catholic peasantry in Munster, Connaught and Leinster. But the leadership was definitely non-Catholic. At the dissolution in 1798, only one of the seventeen principal leaders was a Roman Catholic.¹⁰⁵

The organization was established upon a hierarchical system. At the top there was planned an Executive Directory which would direct the activities throughout Ireland. This part was never so fully developed as were the branches underneath. The lower directory groups were known as Provincial directories and Baronial directories. These executive bodies directed the activities of the various groups, saw to drill in the handling of arms, provided pikes and other instruments of warfare, and maintained correspondence throughout the various parts of the country. Newspapers were maintained as organs of propaganda and were used to draw additional recruits to the United Irish standard. A well-developed system of spies was also maintained in England and on the continent.

In the early stages, peaceful means instead of armed violence was used; but, in 1795 and 1796 the civil organization was replaced by the military procedure in Ulster. Samuel Neilson at the time of his trial in August 1798 said that the object at first was "to alarm Government into a compliance with their objects."¹⁰⁶ Following 1796, "the object was to carry their measures by force."¹⁰⁷

In 1794, the United Irishmen in Dublin were forcibly dissolved. As a result, the group in Belfast began organizing secretly "while the formation of these Societies was in agitation, the friends

¹⁰⁵ Reynolds, *op. cit.*, 1:144. Some of these seventeen leaders were Cornelius Grogan having property amounting to £8000 to £10000 a year, Beauchamp Bagenal Harvey who was commander-in-chief of the rebel forces at Wexford and having property of £3000 or £4000 a year and Anthony Perry, a "Protestant of rank and fortune."

¹⁰⁶ Madden, *op. cit.*, 1:65. The first object of the United Irishmen "was to promote union amongst Irishmen of all religious denominations; and the very principle, and even the words in which it is couched, the United Irishmen borrowed from the Volunteers."

¹⁰⁷ *Report from the Committee of Secrecy, of the House of Lords of Ireland*, 2nd Edition, (London, 1798), 42.

of Liberty were gradually . . . advancing towards Republicanism. They began to be convinced that it would be as easy to obtain a Revolution as a Reform."¹⁰⁸

The new organization of the United Irishmen was completed by May 10, 1795¹⁰⁸ and by 1796 various Irish officials were becoming worried by the outlook. Beresford wrote Lord Auckland: "Every day brings new light as to the wicked and abominable designs of the United Irishmen here. The late trials have proved their intentions of destroying individuals, servants of the Crown, the King, and all kings, to massacre Protestants [Anglicans] and overturn the State, and break off all connection with England. Part of their oath was to destroy all kings . . . and to be true to the French and Irish nations."¹¹⁰ In August Beresford said, "the United Irishmen [are] all organized."¹¹¹

In 1796 the United Irishmen were becoming regular banditti and were procuring arms. Consequently, the Irish Parliament passed the Insurrection Act. This provided that the Lord Lieutenant and his council, upon the request of seven magistrates in any one county, could declare that county in a state of disturbance, and anyone found at an unlawful assembly could be seized. The Act was aimed particularly at the counties of Roscommon, Longford, Meath, Leitrim, Westmeath, and Kildare. Other acts passed included one for the establishment of a large yeomanry force and another for the suspension of the Habeas Corpus Act.¹¹²

As has happened in Ireland so many times, the British government was too much involved in Europe to attempt to find or remove the true cause of the trouble. The *United Irish Press* continued to denounce the Insurrection Act as being illegal, but nothing was done.

The *Press* contained many other writings about the organiza-

¹⁰⁸ *Memoir* by O'Connor, Emmett, M'Neven, (1798), 4.

¹⁰⁹ Madden, *op. cit.*, 1:153.

¹¹⁰ Beresford to Auckland, 5 Mar., 1796, Beresford, *Correspondence*, 2:120-1.

¹¹¹ Beresford to Auckland, 20 Aug., 1796, Eden, *Correspondence*, 3:355.

¹¹² Reynolds, *op. cit.*, 1:166-9.

tion. An early number said: "The United Irishmen recommend to each other temperance, patience, peace, and non-resistance." In the next breath they continued: "*And we will say further if the King and his people do not unite, or conspire . . . against the mad, wicked, blood-thirsty ministers . . . God can only tell how soon the people will lose their beloved King, or be his faithful, but wretched people.*"¹¹³

Membership increased gradually throughout Ireland. In 1794 there were supposed to be more than one hundred thousand members in the northern part.¹¹⁴ By 1798 it was reported that there were at least three hundred thousand altogether. With growth in numbers, the members became bolder. In Wexford County where no Orangeman association had ever existed, false rumors were spread by United Irishmen agents "that the Orangemen were to rise for the purpose of murdering all their Catholic neighbours."¹¹⁵ The *Union Star* took an even more aggressive attitude, naming nineteen for destruction. These included William Burton of Belfast, Chichester Skeffington, high sheriff of Antrim and Fairbrother, a Protestant clothier.¹¹⁶

It was by now apparent that separation from England was a far cry from the original purpose of parliamentary reform and Catholic emancipation. It was thought in Leinster, in particular, these had become "stale pretexts." Thomas Addis Emmett, on trial, said, "I believe the mass of the people do not care a feather for Catholic Emancipation, neither do they care for Parliamentary Reform."¹¹⁷ Therefore, it was represented to the Catholics in southern Ireland that the United Irishman organization "was necessary in their own defense, as their Protestant fellow-subjects had entered into a solemn league and covenant to destroy them, having sworn to wade

¹¹³ *Press*, (Dublin), No. 9, 17, Oct. 1797.

¹¹⁴ Tone, Theobald Wolfe, *The Life of Theobald Wolfe Tone*, written by himself, and extracted from his journals. From the American edition of his life and works. Edited by his son, William Theobald Wolfe Tone, (London, 1828), 245.

¹¹⁵ Taylor, *op. cit.*, 15.

¹¹⁶ *Anti-Jacobin Review and Magazine*, (London, 1799), 1:352-3.

¹¹⁷ *Report from the Committee of Secrecy*, 47.

up to their knees in Popish Blood." After this, the people were taught to believe "that their organization would lead to the abolition of tithes, and a distribution of property, inasmuch as they would become members of a democracy which would govern the country."¹¹⁸

With these ideas planted in the minds of the people, arms and ammunition were distributed throughout all the provinces. Where there were insufficient arms, blacksmiths and others were set to work manufacturing pikes. When this point was reached, it was easy for rioting and general insurrection to break out.

In 1797 and 1798 when the insurgent Irishmen could no longer be restrained, the United Irishmen staged what has been variously named an insurrection, a revolution, or a rebellion. Regardless of the name, it was very successful for some time. Thousands of rebels kept the country in a state of disruption in spite of attempts of English soldiers to put them down. Only with a very decided increase in the size of the British army in Ireland was the rebellious force quelled. The French also attempted to cooperate with the Irish, unsuccessfully, but sufficiently to frighten the English and cause them to become concerned over the seriousness of the problem.

Perhaps no one has summed up the situation better than has Richard Madden in his *The United Irishmen, Their Lives and Times*. In his Preface he said "that dependence on the power of public opinion for the redress of political grievances, which has now happily superseded the employment of physical force, was unknown." Therefore, "every political measure of great magnitude, was either carried by the menace of violence, or recourse to the demonstration of it."¹¹⁹ Speaking particularly of the United Irishmen he said, "It is impossible to appreciate their motives or form a right estimate of their conduct, without an accurate knowledge of the circumstances of their age and the condition of their country."¹²⁰

¹¹⁸ *Ibid.*, 6.

¹¹⁹ Madden, *op. cit.*, 1:xiii.

¹²⁰ *Ibid.*, 1:1.

The conclusions that one may draw from a study of these organizations may be grouped in three classifications. First, there are the implications that such extra-legal groups had in connection with Ireland during the last half of the eighteenth century. Second, there is the responsibility of these organizations, their practices, and the precedents they formed for influencing events in Ireland and relationships between England and Ireland during the nineteenth century and even today. Third, there are certain generalizations, based upon a consideration of this group of societies, which may be made regarding organizations wherever or whenever they may occur.

The many groups which arose in Ireland from 1760 to the close of the eighteenth century were but an expression of the general unrest and discontent common to the island during this period. Absentee landlordism was rife. Economically, the masses were in dire straits; politically, they were largely unrepresented; religiously, they were predominantly Catholic with the Presbyterian Dissenters of Ulster in second place. But both groups were required to support the state church which was Anglican in creed. These conditions led to internal seething, and this in turn led to the formation of these various organizations.

One of the basic causes for the development of these bodies was the lack of appreciation upon the part of the English that something must be done for the Irish. Faced with the American Revolution and a continental war they failed to deal with problems nearer at home. Although a partial attempt at solving the means of ruling an empire was made in 1782 when an "independent" Irish Parliament was formed, this change was insufficient as it merely transferred the site of meeting while the methods and activities remained largely the same. No attempt was made to enact remedial legislation which would remove the causes of trouble such as paying tithes to a church in which few worshipped or the forced payment of rents far beyond the means of the Irish tenants.

It must be pointed out that these organizations were of value. The Volunteers secured partial independence for Ireland and provided also internal protection in time of need. Some small remedial

acts resulted also. The effect in general however was of a far different type. The early groups offered an incentive and an example for later groups. The small groups found it possible to coerce landlords and clergy into foregoing some of the privileges they had and therefore, the United Irishmen particularly used force later in attempting to secure parliamentary reform, Catholic enfranchisement, and those more general, but none the less important, things—liberty and equality. Greater military force and a period of reaction on the part of the English were largely responsible for their failure.

In this latter phase of activity in seeking liberty and freedom from restraints one should note that the Irish were attempting to follow the example set by the American and the French Revolutions. But, where these had succeeded in part the Irish failed for decades to accomplish these same things. Counter-revolutionary forces were too great.

Almost all groups of people in Ireland were represented at some time or other in these various and sundry societies. The chief element not present were those sinecures of the English government and the large landowners, largely absentee, who felt that nothing for themselves could be gained. Humanitarianism was not one of their innate graces. The Catholic priests, as a class, also refused to participate in anything but the innocuous Catholic committees. This did not however, keep the masses of their followers from being active.

These eighteenth century organizations have had their counterparts in latter periods of Irish history. A comparison of the agricultural committees of the latter nineteenth century, the Sinn Fein of the early twentieth century and the present Irish Republican Army with the White Boys, the Defenders and the United Irishmen would reveal many similarities. Since the Irish have a great tendency to follow the traditional line of thinking, it would seem that the earlier events might have served as an inspiration for later episodes.

There was an even more direct result of the action of these groups. In the first place it led directly to the passage of the Act of Union in 1800 which brought Ireland and Great Britain under a

single parliament. In addition, failure to give Catholic enfranchisement as promised was a rebuke to the many Catholics who had been active in the Defenders and the United Irishmen. Also, it had been necessary a number of times to use the English army to quell disturbances. All of these things, added to the bad internal conditions helped to heighten the ill-feeling between Ireland and England and thus prevent the two nations reaching an agreeable understanding. Thus, one may say that the present Irish situation is due in part, at least, to the organizations and their activities which were part of the picture of the land of Erin in the eighteenth century.

Even more important are the many observations that may be drawn about organizations in general. Certain conclusions may be reached which apply today as well as they did in the eighteenth and nineteenth centuries and which will probably continue to apply in the future. They are fairly constant whether applying to the United Irishmen or to some American group which today may be approaching a seditious state.

First, what is in a name? More, perhaps than one would readily conclude upon first thought. A name is important in order to attract a following; if a group adopts a name which arouses certain emotions, the membership is likely to increase and the group become a potential threat. The names of the various Irish groups were of two types: those descriptive of the group, its actions, or its attire, i. e. White Boys, Peep-of-Day Boys, and Defenders; and those using some symbol which arouses a sense of loyalty such as the United Irishmen.

Second in importance are the factors which give rise to new groups. With scarcely an exception it may be stated that no organization is formed without there being some definite cause, economic, social, religious or political in character, or a combination of several of these. It may be emphasized that no group will appear fully developed at the start, but will have a small beginning because some body of people feel that they are not getting their just share and express their resentment by various means. No stratum of the population seems to be free from forming a society. Usually we think of the poorer, so-called under-privileged group as being most

active, but it is very possible that the more powerful people will organize to maintain the status quo or to enlarge their power.

As has been pointed out, there may be a religious element in the organization. In the past it was often Catholic versus Protestant; today it may be Gentile versus Semite, or Catholic versus Protestant depending upon the locale and the matter in question. Not always will opposing religious views be on opposite sides. If at any time both feel that a force, usually non-religious in character, is oppressing them and they have a common cause, they may unite until the time when they secure retribution or redress or are quelled by the powerful third group.

The basic methods of building up a following have changed little in the past three centuries. The press made up of newspapers, handbills, pamphlets, and manifestoes has been used at all times. In these, recourse has been made repeatedly to the use of religious, patriotic, and political symbols to form public opinion. Mass meetings, parades, and attractive uniforms help gain recruits. From this it may be but a short step to drilling and learning to use arms; and when this point is reached, the organizations may develop a seditious or subversive character.

In order to deal with groups which threaten the peace of a nation two alternatives have presented themselves in the past. One is prohibitive and the other, remedial. The first includes laws passed against forming organizations and assembling in groups, for the curtailment of the liberty for the press, sentencing offenders to jail or to death, and providing for the use of armed force against them. Acts to suppress meetings and curtail the press tend to drive the movement underground. Newspapers that all can read are replaced by handbills circulated surreptitiously so that the authorities only know indirectly what is happening. Persons sentenced by the courts may become martyrs to a cause and draw others into the group who had not been interested before. When armed force is used, the ill-feeling toward the constituted authorities is increased.

Remedial measures would be largely legislative and educational programs which would attempt to find the cause of dissatisfaction

and to make for better feeling in all quarters. However, this has not been a method too widely adopted even in the present day. In the future social, economic, racial, religious, and political factors must be considered if remedial action is to be undertaken.

People have always been prone to under-rate organizations of the type discussed here. Often they are considered inconsequential and thus to be ignored. What Irish or English official in the 1780's thought the White Boys, the Right Boys, or the Heart of Oak Boys would be the forerunners of the United Irishmen who would carry out an almost successful insurrection against the Irish and English governments? Likewise, some small, insignificant group today may be the harbinger of a subversive or seditious body of great dimensions.

It is important at the present and in the future, whether in the United States, Eire, England, or whatever country, to study all groups, their reasons for being, their demands, and the possibility of remedial action in order to develop more smoothly operating governments. This is very important from the standpoint of a constructive program. These extra-legal bodies have been with us over the centuries and since we have no reason to expect that in the year 1944 they will cease to be, the best thing is, by accepting and attempting to understand them, to prevent their becoming dangerous to the welfare of humanity.

Subsidies as an Aid to Price Control

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On January 30, 1942, The Emergency Price Control Act of 1942, was accepted by the Congress of the United States, was amended on October 2, 1942, creating the possibility and the reason for consumer subsidies. These acts did four things: First, tied wages to prices; second, provided that there should be no check upon agricultural prices until parity had been reached; third, stabilized prices and wages as nearly as possible at the levels of September 15, 1942; and fourth, directed the President to control the cost of living.¹

The President, supposedly, was to make every effort possible to achieve these ends. He had attempted to limit salaries to \$25,000 after all taxes and certain fixed charges had been paid, but Congress interfered, forbidding the limitation of these high salaries. Subsidies were another method resorted to by the President to stabilize prices of food and help control the cost of living. However, opposition to subsidies was not to be overlooked by pressure groups or politicians in Congress as an opportunity for opposition to the President's policy.

The definitions of subsidies are as varied as there are groups interested. Chester Bowles, Administrator, Office of Price Administration, says, "A subsidy is a government grant of money to aid or encourage a private enterprise that serves the public."² The Congress of Industrial Workers defines it: "Subsidies are money payments to companies producing basic commodities who find themselves squeezed between a price ceiling and high productive costs."³ The Independent Meat Packers Associations says: "A subsidy, as that word is usually employed, means a subvention or monetary

¹ United States Statutes at Large . . . 77th Congress, 1942, Vol. 56, Part I, p. 23 ff; p. 756 ff.

² United States Statutes at Large . . . 77th Congress, 1942, Vol. 56, Part I, p. 23 ff and p. 765 ff.

³ J. Raymond Walsh, Director, Research and Education, in *Circular Letter*, Dated 22 June, 1943.

aid given to a person to enable him to stand on his own feet in an economic sense when he would not be able to do so without the subsidy. . . . But in recent years a subsidy has been looked upon as a grant of funds or property from a government to a private person or company to assist in the establishment or support of an enterprise deemed advantageous to the public."⁴

Subsidies are not new in American history. In fact, private enterprise to a large extent has always been dependent upon subsidies. The one characteristic general in most big businesses is that they have been recipients of subsidies. In Colonial days subsidies were paid to manufacturers of naval supplies such as tar, pitch, turpentine, timber for ships and other similar materials. Firms producing iron, salt, potash, sail-cloth, linens, indigo, hemp, and grist mills were paid heavy subsidies. Railroads have received assistance of tens of millions in cash, and land almost equal to the area of Texas, and in addition, remission of import duties and loans extending into the millions have been made available. Newspapers and periodicals have been sent for many years through the mails at a nominal charge and the subsidies thus created charged to the operating expenses of the Post Office.

During the last World War, 1914-1919, the War Finance Corporation granted loans in the form of subsidies to private companies for domestic and foreign trade. Private shipbuilders and steamship lines have practically existed on subsidies since 1914. Congress has provided by law that private shipbuilding companies should have twenty-five per cent more than it would cost to build war ships in Federal Naval Yards. The Reconstruction Finance Corporation has extended subsidies, in the form of low cost loans, to almost every type of private industrial and agricultural enterprise since it was created to meet the ravages of the depression. Banks, insurance companies, loan association and livestock companies, were principal recipients.⁵ Recently, when the shortage of tankers necessitated use of railroad equipment for moving the

⁴ *Hearings Before the Committee on Banking and Currency, United States Senate, Seventh-Eighth Congress, First Session on S. 1458 and H.R. 3477 an Act to Continue the Commodity Credit Corporation . . .*, 349-350, Washington, D. C., Hereafter cited as *hearings*.

⁵ For a summary see, "Subsidies in American History," *Economic Notes*, Labor Research Association, II No. 10, (October, 1943).

oil to the Eastern Coast a subsidy of \$300,000,000 per year was made available to the oil companies. Copper mines and zinc mines, are subsidized when the mines are located in a high cost area. The scope of subsidies for big business in the present war is far beyond the expectations of any one and the enormous amount needed cannot accurately be judged until the cost of the so-called changes from war to peace time production has been paid for by the government.

If, then, the principle of subsidies is so firmly established in American history, why should there be such an outcry over the present proposals? The answer is that, in general, previous subsidies have been made to guarantee profits to producers while food subsidies are proposed to protect the consumer. The present proposal for subsidies which is creating so much discussion, does not include a guarantee for an increase in profits, but is an effort to take care of any increased cost in production existing as the result of war conditions. These subsidies are therefore consumer subsidies rather than producer subsidies.

The Congress of Industrial Organizations has shown a consistent and vigorous support of the subsidies. One attitude is stated as follows:

It is astonishing how much heat and how little light has been cast on this subject during all the debates. Emotion, not reason, has ruled—a climate admirably suited to the purposes of profiteers who wish to make a killing for themselves in a rising market.⁶

The elementary fact, continues this publication, which Congress has forgotten, is that production costs some producers more than it does others. Subsidies are to equalize these costs, not to add more profit to those already making a reasonable income. For example, three farmers A, B, and C are milk producers. A produces milk to sell at ten cents, B at twelve cents, and C at fourteen cents. However, the ceiling price is twelve cents and consequently C could not stay in business. But in war times there is a demand for all the milk that can be produced and C must continue to produce. If prices were to be permitted to advance so that C could stay in business, then both A and B would be receiving more than

⁶ *The Economic Outlook*, Congress of Industrial Organization, Washington, D.C., Vol. IV, No. 8 (Nov. 1943), 3.

an adequate price. So C is subsidized two cents a quart and continues to produce, and the consumer continues to receive milk at a price which he can pay without a rise in wages. Thus, for a two cent subsidy, which the consumer pays to C, the consumer has escaped the necessity of paying a four cent rise in prices to A and two cents to B, making a total six cents which the two cent subsidy has saved to the consumer.⁷

This situation illustrates clearly the problem of consumer subsidies. The small "real dirt" farmer, C cannot produce milk as cheaply as can the corporation farmers A and B. The latter are using mass production, while the former is using the small producer's technique. If A and B can knock out the subsidies, they can get an enormous income and perhaps prevent C, from getting an advantage from the price rise since many of the class similar to A and B are also the processors. Or, C may live in an area in which the cost of production is much higher than the areas where A and B produce. Under the subsidy method C would be paid a sufficient amount to make it profitable for him to continue to produce. If subsidies are not used and prices are permitted to climb to a point where C can continue to produce, then A and B have an enormous profit. In peace time perhaps C should not produce, but in war time the production by C is necessary to furnish food for the Army and Navy. Therefore, C is paid a subsidy and A and B are not. However, A and B propose to reject the subsidy because in doing so they have not refused any profit. However, under favorable circumstances after subsidies have been rejected they may demand and receive a general price increase. If this rise should occur, then a corresponding wage rise would be necessary for the worker to meet the additional cost of living. Thus, inflation with all its miseries would begin.

The C.I.O. organization feels that it is fighting the battle of all consumers "and particularly of the unorganized, the receivers of

⁷ *Loc. Cit.*; More detailed presentation of the same opinion in *Hearings, passim*.

low incomes, the teachers, the preachers, the government clerks."⁸

The American Federation of Labor claims to have been the first to suggest a subsidy program to Congress.⁹ William Green, President of A.F. of L. explains the value of a subsidy like this:

A subsidy payment made by the Government through the Commodity Credit Corporation represents the amount necessary over and above the market price to the producer, to insure him of sufficient return to enable continued or increased production. In the case of many food commodities the cost of the subsidy is greatly reduced because it will be necessary to pay the subsidy only to certain producers and only in certain areas. If instead of a subsidy a price increase is permitted, such increase offers a wholly disproportionate advantage to those operating profitably under the existing price ceiling¹⁰

The necessity of price control under present conditions is stated by Boris Shishkin, another leader of the A.F. of L.

Inflation is gaining momentum. It is not yet wholly out of control. But if we continue to relax our grip on the controls, as we have been doing in the past few months, there will be no force strong enough to check a runaway inflation.

The war supply of weapons, food and labor must be orderly and unfailing. The machinery which controls this supply is itself controlled by a single device that acts as a governor, a balance wheel of our war economy. This governor is the American dollar. We cannot change its weight or size without throwing our entire war supply out of gear.¹¹

Other labor groups appeared before the Banking and Currency Committee advocating subsidies. These Labor groups followed arguments similar to those which had been presented by the C.I.O. and the A.F. of L. These may be summarized as follows: (1) subsidies would prevent rise of prices and therefore prevent inflation; (2) farm prices have risen more rapidly than other wages and therefore a general rise in food prices would not be justified; (3) the abolition of subsidies would ultimately mean destruction

⁸ *Ibid.*; see also Nathan E. Cowan to Affiliate and Legislative Representative, Washington, 9 Dec., 1943; J. Raymond Walsh to Secretaries of All Internationals, 22 June, 1943; the C.I.O. News files; *The C. I. O. Oil Facts*, Vol. 1 Nos. 13, 15, Fort Worth, Texas.

⁹ Statement of William Green, President, American Federation of Labor, in *Hearings before the Committee on Banking and Currency, Seventh-Eighth Congress, First Session*, on S. 1458 and H.R. 3477. Washington, D. C., 47. Hereafter cited as *Hearings*.

¹⁰ *Hearings*, 51.

¹¹ "Inflation Crisis," *American Federationist*, Vol. 50, No. 4, April, 1943, p. 3.

of all price control; and (4) the big food manufacturers and the meat monopoly working through other agencies are opposing subsidies in an attempt to force high prices.

The general position which labor assumed was supported by another group that may be classified as the "consumer group." Some of these organizations appearing before the Senate's Banking and Currency Committee on the bill, are: Consumers Advisory Committee, represented by Ruth Lamb Atkinson; the Consumer Farmer Milk Cooperative of New York; the National Farmers Union; the American Home Economics Association. Elisabeth Christman, representative of the National Women's Trade Union League, appeared and explained her organization's attitude as follows,

I am speaking on behalf of the more than a million direct and affiliated members of the National Women's Trade Union League. Our members have wholeheartedly supported the Government's subsidy program as the less expensive and most effective method of keeping prices under control - - by keeping in production those farmers, processors, and distributors who need relief from special war pressures. A little in subsidies isolates the squeeze and prevents the pyramiding of price rise upon price rise and the spread of the contagion of more and more products.¹²

Other organizations represented were the National Negro Council, National Federation of Settlements, League of Women Shoppers, Disabled American Veterans, The National Farmers Union, and the American Association of University Women. Caroline F. Ware, representative of the A.A.U.W. said:

I am here because of the long-standing concern of my association with the need to resist inflation, and its long-standing interest in the problems of consumers. The subsidy question is an integral part of the fight against inflation and for the protection of the American home.¹³

F. H. LaGuardia, mayor of New York; Cornelius D. Scully, mayor of Pittsburgh; Maurice Lobin, mayor of Boston; Cooper Green, mayor of Birmingham; and George W. Welsh, mayor of Grand Rapids, Mich., represented the municipal interests and the people of those cities. Scully representing one tendency, supported subsidies vigorously:

For one thing, I can see that price control reinforced by subsidies, are actually keeping the cost of living down. I can see that in the markets in

¹² *Hearings*, 419.

¹³ *Hearings*, 407.

Pittsburgh, and I am old enough to remember the last war, and to remember how prices got away on us then; how butter went to 78 cents a pound; how sugar sold at 26 cents a pound; how eggs brought 92 cents a dozen.

We have still on our lawbooks an ordinance passed by the city council in those days, which authorizes the city government to buy stocks of any necessary commodity and sell it to the people at cost. That ordinance was passed as a pitiful effort by a local government whose jurisdiction stopped at the city line to do its part in preventing its people from being gouged by war profiteers working on a national scale. It did not work, of course, and that is why we are down here now asking you Senators who represent the most powerful influence on earth, the government of the United States, to give your Government the weapons it needs to fight inflation and profiteering.¹⁴

La Guardia, who not only represented the city of New York but also the United States Conference of Mayors, opened his report by saying:

I want to say at the outset that if perchance we should have inflation, every city in this country is "broke," including my own, and if we go down, we drag everything with us; there is no question. Our bonds are not callable. We would immediately have to meet the situation. We could not adjust assessed valuations for a year following the break and the result would be catastrophic.¹⁵

He presented telegrams from mayors of other cities asking him to represent them as favorable to the consumer subsidies all of them showing concern for the danger of municipal insolvency. So, in general, the union labor group, the organized consumer group, and the mayors of cities support the demand for subsidies.

Over against this array of supporters there appeared before the Senate Committee of Banking and Currency many who were opposed to subsidies. F. E. Mollin, representing the American Livestock Association, Denver, presented a resolution adopted by the Livestock and Feed Conference held September 2, 1943, at Kansas City, Mo., in which it was resolved,

"That we urge Congress to take such action as would insure a discontinuance of the present subsidy roll-back program and put a stop to the effort to expand it."¹⁶

This resolution was based upon the belief that the subsidy which had been paid on meats and butter had caused lower prices for cattle. Mollin explained that while the subsidy paid on meat and

¹⁴ *Hearings*, 223-224.

¹⁵ *Hearings*, 204.

¹⁶ *Hearings*, 87.

butter was intended to be cut back to the consumer, it did not work that way. The money, it was claimed, went to the packers and retailers, the packers making strenuous efforts to buy on a substantially lower basis.¹⁷

The only group to benefit according to his testimony were the processors and, perhaps, the retailer. Mollin definitely denied any desire on the part of cattle men for a rise in prices but it was pointed out by him that:

You cannot go on forever and increase the cost of making beef without an increased price.

We have played the game right up to this time and have not asked for an increase. We have had an increase of the ceiling price during the past 9 months of 5 cents a bushel in corn. The papers today tell us it is going to be increased again several cents a bushel, how much I do not know, but possibly as much as 10 cents—something like that. We have had an increase in the price of concentrates; protein, the schedule announced in the late summer, of \$10 to \$12 a ton. We have had a tremendous increase in the cost of labor. We cannot go on under this old ceiling as established September 16 on beef.¹⁸

The president of the American Farm Bureau Federation supported Mollin's position and was explicit in his demands to continue the Commodity Credit Corporation as an agency to pay producer subsidies and not convert it "into a colossal Santa Claus to distribute rebates to the public at large, whether they need them or not."¹⁹

He also demanded higher ceiling prices to check increased cost, secure maximum production, and to avoid subsidies. "The vital issue," the report continued, "is the roll-back in prices or the question of consumer subsidies in lieu of necessary price adjustments."²⁰

Charles M. Holman, secretary, National Cooperative Milk Producers Federation, reported that his organization had just held a meeting in Chicago and members endorsed the Bankhead Bill, with two or three suggestions:

The first applies to the time of liquidation of the subsidy as provided for in the Bankhead Bill. If you recall, the Stegall bill has a direct cut-off as of

¹⁷ *Hearings*, 87, 88, 94 and 95.

¹⁸ *Hearings*, 92.

¹⁹ *Hearings*, 29.

²⁰ *Hearings*, 32.

December 31. Our people feel, that that is desirable and that at the most the 30-day period of liquidation is adequate for the Government to get out of the business of authorizing subsidies. On the actual question of liquidation, of course, it takes a few weeks longer to wind up the usual controlling affairs, but we feel that to extend the time to June 30 means in effect the continuation of the subsidies for perhaps 4 or 5 months longer, especially if the credit of the corporation is extended another quarter of a billion, such as provided for in the Bankhead Bill.²¹

He also introduced the farmer-labor conflict by saying that labor would not accept subsidies on wages, but were insisting that the farmer accept subsidies for their products.

Other organizations having delegates appearing before the committee in opposition were: The National Council of Farmer Co-operative Milk Producers' Federation, Women's Economic Council. The Southwestern Cattle Raisers' Association, Arkansas Agricultural and Industrial Commission, and Richard M. Kleberg, member of Congress from Texas. A general attitude of many of these organizations, is expressed by the following quotation,

I do not flatly oppose all subsidies, because it has been the domestic policy of the United States since its beginning to use subsidies. We subsidized our manufacturers by a protective tariff, and still continue that practice. We subsidized the building of canals, railroads, and air lines and properly so, but we subsidized them to get expanded production. A subsidy for any other purpose is economically unsound and never justifiable.

The present proposed subsidies, besides being economically unsound and unjustifiable and only remotely related to the production of farm products, are so bound up in red tape and social reforms that they are unworkable and will accomplish nothing except further regimentation of the people.²²

In the presentation of the view point of the opposition there developed two chief objections; first, that the wage-earners were receiving very high wages and consequently were able to pay higher prices; second, that these subsidies represented a departure from the established way of doing business and that they somehow would create additional power for the Federal Government.

The Office of Price Administration represents a third group interested in subsidies. The interest was one of administration for the development of price control in accord with the ideas of the President and Congress. In presenting the problem to the Senate

²¹ *Hearings*, 276.

²² Statement of K. H. Thatcher, Little Rock, Ark., Executive Director, Arkansas Agricultural and Industrial Commission in *Hearings*, 297.

Committee on Banking and Currency the O.P.A. recognized three different types of subsidies. First, subsidies to prevent price increase such as those on canned fruit, vegetables, cheddar cheese, dried beans, feed, potatoes, and other similar products. Second, transportation subsidies to absorb excessive transportation cost of getting foods and materials from the producer to the consumer, such as subsidies on apples, corn, and a limited sugar payment. Third, the roll-back subsidies which had been used in the attempt to roll-back prices to the September 15, 1942 level.²³

Those opposing subsidies for political reasons have a splendid opportunity in opposing the roll-back type due to the fact that the payments are used in accordance with the President's directive, reducing prices to the September 15 level. Some Senators are especially susceptible to this since they are exceeding anxious to establish before the committee the illegality of this type of subsidies and thus discredit the President.²⁴

The extent of these three types of subsidies is stated in full by Clarence W. Slocum, Director of Industrial Manufacturing Price Division, and Jean F. Carroll, Director Food Price Division, both in the O.P.A. The overall cost of food subsidies to be paid by the Commodity Credit Corporation to complete current programs and new programs for the 1944 crops amount to \$1,423,250,000 which amount would require an additional fund of \$234,848,000 beyond the available funds already held by the C.C.C. This amount does not include subsidy funds paid by other governmental agencies.²⁵

The loss in money to the C.C.C. in developing this program is not large in view of the sum involved and in consideration of the fact that most of the money is an outright payment to the producer or processor. The subsidy loss on dry beans amounted to

²³ *Hearings*, 138, 139.

²⁴ See *Hearings*, 180-181 for the *Executive Order No. 9328*, dealing with the roll-back; also *Hearings*, 241, 259, 263-266 for Senator Taft's "legal attitude" through which the O.P.A. administers most of the subsidy money payment.

²⁵ *Hearings*, 260: The foods subsidies are on corn, cotton, tobacco, wheat, flaxseed, barley, rye, grain sorghums, dry beans and peas, hay and pasture, seed, hemp Naval stores, potatoes, prunes, raisins, canning vegetables, oil seeds and products, sugar, butter and cheese, fluid milk, dairy feed stabilization, wool, and mohair; materials on which subsidies are paid are listed, *Hearings*, 398.

eight million; on the potato crop, twenty million; on raisins and prunes, fourteen million; on cheddar cheese, twenty-five million, and so on to cover other commodities until the total loss amounted to \$350,000,000.²⁶

The O.P.A. listed eight objections made by various groups which were considered worthy of consideration; (1) Subsidies lower prices; are therefore inflationary; (2) Subsidies increases war expenditures; thus feed inflation; (3) Subsidies only conceal price rises; (4) Consumers can afford higher prices; (5) Costly subsidies—little savings; (6) If subsidies are used now, won't prices fall when they are withdrawn after war; (7) Subsidies are no substitute for enforcement; (8) Subsidies are subject to abuse.²⁷

Chester Bowles and his assistants answered these objections in various ways and by numerous tables and figures. Bowles, in explaining how he became converted to the use of subsidies, said:

I started talking about subsidies a year ago, long before they were introduced here. I came into this thing out of the business world. It introduced a whole lot of problems and questions to me. I spent a great many hours on it and I was subject to a lot of local experience that you can get only out in the field. I began to believe we had to come to this attempt to hold some line sooner or later or we were going to let the whole thing run away, and I began to discuss it and talked about it publicly, very reluctantly, because it went against the grain. I didn't like the idea. It seemed to me like sulfapyradene—I understand it is very dangerous, but I prefer it to catching pneumonia myself. I understand iodine is more or less poisonous, but I prefer it to an infected wound. I arrive at it through that process, I was just working up there then. The policies were all settled and I didn't have enough experience in those things to arrive at a conclusion in the beginning.²⁸

Both Clarence W. Slocum and Jean F. Carroll, assistants in the O.P.A. were definitely opposed to subsidies when they first began working with the agency. Carroll expressed his attitude in this manner:

When I came in 3 months ago to the Food Price Division I would have listed myself among those business men who had a personal dislike for subsidies. In other words, like most business men the idea of a subsidy did not appeal to me, but we have tried to come into work of this type for the O.P.A. as we feel you wish us to, namely, as a business executive would go into any new job, to see what the job was, what should be done, and also to know the limitations under which we had to operate. We have tried to do that.²⁹

²⁶ *Hearings*, 261-263.

²⁷ *The Essential Role of Subsidies in the Stabilization Program*, Office of Price Administration, 7-11.

²⁸ *Hearings*, 129.

²⁹ *Hearings*, 135; see also 168.

Bowles thought that many were sincere in their opposition but the National Executive Secretary of the National Lawyers Guild was not so complimentary. He thought that:

Certain groups in this country have attempted to raise a smoke screen by asserting that subsidies mean government control, authoritarianism, and totalitarianism. Their true objection to the use of subsidies, however, is that there are more profits in price increases.³⁰

There is certainly evidence that many of the farmers are sincere in their opposition but it is doubtful that these farmers have had available to them the correct information on which an intelligent decision could be made. Their decision might remain the same even though they were to receive further information. It is evident that many of the statements purporting to represent the farmer's attitude are statements from individuals or groups who have no authority to speak for farmers.

The O.P.A., contended that if subsidies were not used prices would blow up, and that savings, insurance policies, and the economic system would blow up at the same time, but that use of subsidies would hold the price line and result in huge savings to the consumer. One statement follows:

At the end of two wage and price adjustments, prices would have risen by \$1,300 million. The Federal Government alone will purchase about 55 per cent of the gross national product and would presumably have to pay a roughly similar proportion of any price increase. The saving on Government expenditure through the avoidance of price increases that the Government would otherwise have to pay is therefore about \$720 million. The saving to consumers from the avoidance of these price increases is \$440 million. Where the direct saving to consumers amounts to \$1,020 million. Thus, the total saving on expenditures for Government and consumers together amounts to \$1,740 million. Since the cost of this program will be between \$300 and \$450 million a year the ratio of saving to cost is roughly between 4 and 6 to 1.

If we make the somewhat less conservative, but perhaps more realistic, assumption that a rise in wages will bring about an equal percentage increase in prices, the saving is still greater on the basis of this assumption, savings on Government expenditures alone are estimated at almost \$1,750 million. Savings to consumers from the avoidance of price increases are \$1,300 million, and when the direct savings resulting from the price reduction is added, the total savings to consumers amount to about \$1,770 million. This is a total of over \$3½ billion on Government and consumer expenditures together. The cost of subsidy needed to obtain this result being at most \$450 million, and possibly as low as \$300 million, the ratio of saving to cost on this assumption is therefore no less than 7½ to 1 and may run 12 to 1.³¹

³⁰ *Hearings*, 487.

³¹ *The Essential Role of Subsidies in the Stabilization Program*, Office of Price Administration, 5. See also Chester Bowles, *op. cit.*

These statements concerning probable savings were supported by various groups and writers.³² However, Seymour E. Harris is of the opinion that even though subsidies save money, serious consideration should be given them only after other alternatives have failed. His reason for this attitude is that: "In so far as it is practical and equitable, for example, the burden of stabilization for prices, in the face of rising cost, should be put upon profits."³³ The O.P.A. is required to take into consideration the degree of profit made by the entrepreneur, thus the O.P.A. does recognize the obligation of limitation of profits to a recognized level before resorting to the use of subsidies.

There are many things to take into consideration on the probable effect of subsidies on prices. For instance, one might say that any procedure which increases the amount of money in circulation will create inflation. However, if the introduction of a billion dollars into business channels by subsidy payments would prevent a similar or greater sum from entering circulation by the increase of wages brought about by a general rise in food prices, the subsidy payments would not be inflationary. Then, too, if the government prevents a general rise in commodity prices by subsidy payments and thus creates a saving of a greater amount in the purchases made, there would be no inflation resulting from subsidy payment. It may be observed that:

The government will gain more; not only because wages are kept down, but also because the government is a very large purchaser of farm products. In short, it may be argued on purely fiscal grounds that a subsidy program in many instances will reduce the budgetary deficit, rather than increase it.³⁴

While the other objections listed by the O.P.A., are valid in some ways and under certain conditions, the O.P.A. officials reject them as invalid in the application of the general policies. There

³² Seymour E. Harris, "Subsidies and Inflation," in *The American Economic Review*, September, 1943, pp. 559-560. "Statement on Prohibition of Food Subsidies," in *Hearings*, 486-488, *Congressional Record*, proceedings and debates of the 78th Congress, First Session, Vol. 89, No. 184, (Nov. 29, 1943) 10169-80. See, for the opposite viewpoint, "Agricultural Subsidies—Recommendation of the Board of Directors of the Los Angeles Chamber of Commerce, *Hearings*, 482-484.

³³ Harris, *Loc. Cit.*

³⁴ Harris, *Loc. Cit.*, 569; See also *Hearings*, 138-141; 172-174.

is one consideration, however, to which considerable attention must be given, namely, the fundamental objection of certain groups to any kind of a consumer subsidy, or to put it in the words of one of the protestants, "Substituting subsidies for the price incentive means a departure from their established method of doing business."³⁵

The consumer represents the field of exploitation for the producer and processor and any limitation of that field of exploitation, which subsidies would bring about, could not be acceptable to the processor or the producer. This fact furnishes the fundamental difference between producers' and consumers' subsidies. The profit system recognizes, in fact demands, a processor's subsidy, but it excludes a consumer's subsidy which cannot be directed toward the profit motive favorable to the processor. The whole fabric of our economic system is woven out of profitable undertakings, with the consumer considered only as an onlooker, one who should not have too much interest in the process. It is acknowledged that the consumer must exist, but he exists only as a field for exploitation. The possession of surplus money, or the ability to make investments on the part of the consumer, is considered by some to be inflationary, but billions of such excess profits may be gathered in the treasuries of corporations with no apparent danger to the price structure. Consequently, to those who hold these opinions the mere fact that the industrial worker is receiving an adequate wage, occasionally sufficient for savings, is reason to reject any subsidy or project that would assist him in keeping the surplus for investment purpose. The vast earnings of the industrial worker, to the processor and producer, is a resource from which they can draw unlimited profits if it were not for the policies of the O.P.A. in limiting this exploitation by holding prices at a reasonable level.

The one factor which is overlooked in such a position is that high wages are by no means universal, and, even if they were, there would be no justification in transferring the earnings of the wage group to the small profit groups merely because there is a war and a consequent scarcity of goods. If the producers of meat,

³⁵ "Los Angeles Chamber of Commerce," November 4, 1943, *Hearings*, 482.

beans, milk or other commodities are not receiving an equitable return, then prices should be adjusted. However, if the investigation shows that the majority of the entrepreneurs are receiving adequate and equitable returns, but that the marginal producers can not continue to produce the needed product at the established price, then subsidies and not general price rises should be established.

Book Reviews

EDITED BY O. DOUGLAS WEEKS

The University of Texas

Ramsdell, Charles W., *Behind the Lines in the Southern Confederacy*.

Edited with a Foreword by Wendell H. Stephenson. (Baton Rouge: Louisiana State University Press, 1944, pp xxiv, 136.)

Wiley, Bell Irvin, *The Plain People of the Confederacy*. (Baton Rouge:

Louisiana State University Press, 1943, pp. xiv, 104.)

Both of these works are made up of lectures delivered at Louisiana State University under the Walter Lynwood Fleming Foundation, and both deal with life in the Confederacy. The late Professor Ramsdell is concerned entirely with conditions back of the lines, while Professor Wiley devotes one lecture (there are three lectures in each book) to the Confederate soldiers.

Dr. Ramsdell made the more fundamental and considered study. In it he took up the major problems which confronted the Confederacy, what efforts were made to solve them, and how in the long run no solution could be found—and how in the very nature of the situation, probably no solution was possible. A people who had known little or no regimentation, who, imbued with the spirit of individualism, abhorred the idea of governmental control beyond a minimum, who had lived the simple agricultural life, were now suddenly thrown into a new and strange world—a world made for them by a war which they had not foreseen and which, when it did break upon them, they had expected to be of short duration. Enlisting troops and equipping them, reorganizing their agriculture from staple crops produced for sale, to food crops made to eat, raising revenues of unprecedented amounts, establishing manufactories for the thousand and one things which soldiers and civilians must have which heretofore had been bought from the North—these were some of the problems to be met. In attempting to solve them, the Confederate government as well as the state governments were forced to use strange and hastily-devised means—conscription of man power, impressment of food and feed, taxes-in-kind, suspension of the writ of habeas corpus, and many other devices.

Out of a knowledge of his subject unexcelled by any person of his times, Dr. Ramsdell discussed these problems with skill and clarity as well as with a charity for those who had to wrestle with them and he came as close as is humanly possible to giving the answer to why the Confederacy failed. Though from the very nature of his task, Dr. Ramsdell was forced to give a rather gloomy picture of the Confederate people, he did not fail to realize the great self-sacrifice they made, as he so

beautifully put it in this sentence: "The evidences of that kind generosity will run like threads of gold through the woven tapestry of any adequate account of the history of the people of the Southern Confederacy." (p. 121). It is a great tragedy and an equally great loss to American historiography that Dr. Ramsdell did not live to write that definitive history. In the present work Dr. Stephenson in a foreword gives an excellent characterization of Dr. Ramsdell and presents some interesting facts regarding his methods of work.

In his work Professor Wiley has given a light close-up account of the plain people of the Confederacy. In his second lecture he sketches some of the main problems with which Dr. Ramsdell's lectures were entirely concerned and in his first and third lectures he deals respectively with the Confederate soldiers and with the slaves. These two lectures are clever and interesting distillations of Professor Wiley's two books: *The Life of Johnny Reb: The Common Soldier of the Confederacy* and *Southern Negroes, 1861-1865*. He affords an amusing and realistic insight into the every-day life of the Confederate soldiers, what sort of uniforms they wore, what sort of letters those who could write wrote back home, what diseases they contracted in camp, how they amused themselves including some of the songs they sang, and what in general the Confederate soldiers thought about. As for the colored folk, Professor Wiley presents them in a common-sense point of view. When the Federal armies came near, the slaves were impelled to run away from the plantations; but as a large part of the Confederacy until the end of the war, was not molested by marching armies, the bulk of the Negroes awaited either consciously or unconsciously for the "day of jubilou" and enjoyed it uncommonly when it arrived.

These two volumes are supplementary to each other and both should be read by those who want a scholarly and realistic picture of the people of the Confederacy and would like to know why the storm-tossed government failed.

The University of Texas.

E. M. COULTER

Munk, Frank, *The Legacy of Nazism*, (New York: The Macmillan Company, 1943, pp. xvi, 288).

Dr. Munk holds that the current global war is the culmination of a conflict between rival social systems. During the second quarter of this century, the social welfare state made a head-on collision with the Nazi state. The social welfare state of the twentieth century is derived from eighteenth century liberalism and nineteenth century capitalism. The growth of monopoly and imperfect competition, together with the introduction of other rigidities into the price system, necessitated more and more interventionism as the twentieth century progressed. Today the

social welfare state manifests itself either in the form of a completely socialized economy, as in Russia, or in the form of a private economy subjected to a considerable degree of social control, as in many nations, including Britain and the United States.

While the totalitarian Nazi state has its roots in the nineteenth century and earlier, organized totalitarianism did not make its appearance until the third decade of the twentieth century. The Nazi state is not only totalitarian but also authoritarian, centralized, hierarchical, expansionist, militaristic, and charismatic. Although it makes extensive use of economic planning and modern technology, Nazism contravenes or perverts all that is best in the heritage of modern society.

The author is confident that the social welfare states will be victorious in their conflict with the totalitarian nations, but he believes that the collision has profoundly altered the political, economic, and social institutions of the combatants and victims and that the clash will leave a permanent legacy of considerable moment to future society. The war has divided and distorted national units in Europe. In the post-war period, national unity must be based upon homogeneity of ideas, aspirations, and sentiments. This precludes the formation of a single super-European state but it does not abolish the possibility or the need for the political confederation of the nations of the world after the war. The goals of the Nazi state, before and during the war, have resulted in the extermination and transplantation of whole populations. The experiences of the peoples of the belligerent nations and the subjugated states have had profound psychological repercussions on the inhabitants of those countries. The dead can not be resurrected, the psychological transformations can not be completely effaced, and all the exiles can never be returned and reestablished in their old homes and original occupations.

Economic institutions, which were in a state of flux in both the welfare states and the Nazi or Fascist nations before the outbreak of hostilities in 1939, have been revolutionized by the impact of the demands of total war. Productivity capacity has been enormously expanded in some countries and greatly diminished in others, the geographic distribution of industries has been altered, the character of competition has changed, the price system has been transformed, and many other economic changes have occurred. War time economic arrangements will not be maintained without modification in the post war world, but prewar economic conditions will never exist again.

Preparations for peace should include plans for the relief and rehabilitation of the victims of Axis conquest, the liquidation or transformation of Nazi institutions, the repair and reconstruction of productive facilities in war-torn regions, and the gradual relinquishment or relaxation of war time controls in the United Nations. Immediate and complete abolition

of controls would be disastrous. Post war planning must take account of new materials and industries, improved productive processes, and changed international economic relations. Planning cannot be based upon the assumption of a reestablishment of laissez-faire in post war Europe.

Nazi economy is a distortion of planned economy; it is essentially the perversion of social control of private economic activity. The perversion should be abolished but the planning should be retained. Economic institutions expropriated and debauched by the Nazis should be reclaimed and utilized properly, rather than perversely, by the welfare states.

University of Oklahoma

VIRGLE GLENN WILHITE

Beveridge, Sir William H., *The Pillars of Security*. (New York: The Macmillan Company, 1943, pp. 248.)

"Bread for all before cake for anybody" sums up the Beveridge plan, described in the twenty-two short essays which make up the book under review. The author pleads earnestly and intelligently for the adoption of a social security program which will free the new Britain from "the five giant evils, of Want, of Disease, of Ignorance, of Squalor, of Idleness." He writes more about the evil of want than about the others, this being the subject upon which he recently completed a detailed report to the British government. Called by the newspapers a cradle-to-the-grave program, Lord Beveridge's plan provides for children's allowances, unemployment benefits, disability benefits and pensions, widows' and guardians' benefits, and grants for marriage, maternity, and funeral expenses. It will be noted that none of the ordinary exigencies of the workingman's life has been overlooked.

If, further, the individual can be given medical care when he is ill, adequate education for his children, well-planned, comfortable housing, and the opportunity to remain steadily employed, he would seem to have little else to ask for. And this happy prospect, says Beveridge, is not mere wishing and dreaming. It is a real possibility, contingent only upon military success in the war and intelligent action on part of the nations of the world.

That the war must be won is obvious enough. Without victory the national independence necessary to the execution of any post-war program whatever would presumably be lacking. Therefore it is urgent that we bend every effort toward defeating the Axis powers. The writer fully recognizes this fact, yet he shows considerable impatience with those persons in authority who fear to start post-war planning, lest such undertakings divert our energies from the more immediate task and thus endanger or delay the victory. For Beveridge war and peace are inseparable; peace is the object of the war and without some clear idea

of what the peace may be expected to bring to us no enthusiasm for the war can be sustained. The ultimate success of the war will depend upon our getting ready for the peace before hand.

The social security program envisioned is designed for Britain and, he says, there is no reason to believe that a similar program would fit the needs of other countries. But its success in Britain depends upon the elimination of mass unemployment, which can be achieved only through the united efforts of all the principal nations. Here the utmost in wise planning is called for. The economic system of the world, made one by the new techniques of transportation and communication, must be so handled by the several governments as to avoid the conflicts which followed World War I. Beveridge does not tell us in detail how this is to be done, but he believes it can be and will.

The Pillars of Security is inspiring reading. To an American, seeing this demonstration of how a nation with a much lower income than ours bravely attacks the problem of winning complete social security, there are opened up vistas of near-utopia for ourselves. If the British can do it, so can we, and with sacrifices minor compared with theirs. It is to be hoped that this book will receive the attention it deserves among us. Though our program should be our own, shaped to fit our particular needs, we have much to learn from Beveridge's studies. Fortunately we are in the position where, if we plan wisely, we can have both bread and cake for everybody.

The University of Texas

CARL M. ROSENQUIST

Swisher, Carl Brent, *American Constitutional Development*. (Boston: Houghton Mifflin Company, 1943. pp. xii, 1079.)

Professor Swisher has produced a new type of text in the field of constitutional history. It is a history, but at the same time is a sort of text-book in constitutional law, except that the subject matter follows a roughly chronological arrangement.

The author has interpreted the word *constitutional* in his title very broadly. He has by no means confined himself to cases, but has brought in much material of a constitutional nature, even if it never got into the courts,—such questions, for instance, as nullification and internal improvements. Moreover, he has considered much material usually classified under the head of the unwritten constitution, such as the third term tradition. He is concerned throughout with changes in the structure of the government. The addition of new cabinet departments is always noted, and he devotes a great deal of consideration to the development of the independent regulatory commissions and the problems they raised. He is especially interested in the multitude of New Deal agencies set up in the last ten years.

The unique contribution of Professor Swisher's book is the amount of space and study he devotes to recent developments. The customary approach in a constitutional history is to dwell at length on the Marshall-Taney period because of the wealth of constitutional precedents set in that early era. Perhaps because he feels that that period has already been adequately covered, Professor Swisher shifts the emphasis. Fully half of his book is devoted to the era opening with Theodore Roosevelt, and at least a third of it is concerned with what has happened since the end of the First World War. He has brought his work practically down to the present hour, including cases decided by the Supreme Court in the term which ended in June, 1943.

Much of the material is, of course, extremely controversial, and it is asking too much to expect that a writer can be completely detached. It is evident that the author does not belong to the older school of idolaters of the Supreme Court, but he does make a genuine effort to maintain a balance and to show that there are two sides to the question. His emphasis on the importance of the personnel of the Court is in refreshing contrast to the pious, unrealistic old aphorism that ours is "a government of laws and not of men." On the whole, Professor Swisher has done a very complete and competent job of tracing the development of our constitutional institutions to date.

University of Oklahoma

J. H. LEEK

Vaughn, Floyd L., *Marketing*. (New York: Farrar and Rinehart, 1942, pp. xi, 639.)

Principles rather than business practices are emphasized in this book. Hence, the approach is from an economic instead of an acquisitive point of view. The author's purpose is to treat marketing as a part of the economic system in a manner similar to the usual treatment of money and banking or labor as part of the economic system.

This purpose is carried out in a well-designed organization which begins, after a brief introduction, with a study of the functions of marketing including rearranging, transportation, storing, grading, financing and risk taking, and buying and selling. Next, the mediums are treated—private enterprise, co-operative associations, and governmental activity. Separate chapters are devoted to different types of private enterprise including brokers, organized exchanges, future trading, wholesalers, and various kinds of retailers. Practices, such as those in advertising, credit, fair competition, and price policies, are then analyzed and evaluated. Following these three main divisions, variations in the marketing of agricultural commodities, extracted products, machines and tools, and consumer goods are presented. Finally, six chapters are devoted to comprehensive appraisal of the marketing system.

Examples of a penetrating analysis and application of economic principles to particular aspects of marketing occur in numerous places such as the analysis of the relation of advertising to cost and the contrast of cost in marketing and manufacturing. Also originality in the organization and method of treating particular subjects is notable throughout the book, for example, the classification of marketing functions and the treatment of buying and selling as a function. But probably the most notable feature is the last part on appraisal of the marketing system and especially the last two chapters which set forth recommendations for lowering the cost of marketing and improving the marketing system. The chief recommendations are (1) decrease or improvement in functions, (2) less advertising, (3) prevention of acquisitive practices and, (4) adoption of programs leading to abundance and not scarcity in governmental as well as private activity.

Usefulness of the book as a text is enhanced by forceful and concise style. A well-selected bibliography and a list of questions and problems at the end of each chapter are also of use in instruction.

A treatise of this kind is especially needed in marketing because much of the literature in this field is over-emphasized description and analysis of business practices without adequate interpretation from an economic point of view.

Dallas, Texas

WILEY D. RICH

Fischer, Eric, *The Passing of the European Age*, (Cambridge: Harvard University Press, 1943, pp. xiii, 214.)

Much has been written about the decline of European civilization. Spengler consigned it to the limbo of history with his neo-Hegelian dialectic; Wickham Stead visualized the passing of the baton to the United States. Though Scott Nearing is nowhere mentioned, the author's thesis is essentially that of Nearing's revolt of the nuclei, with less economic emphasis and more attention to general culture.

The European civilization has, through its colonial and commercial functioning, created new centers of culture which, favored by natural resources and geography, are outstripping the mother countries. With its persistent rivalries, hoary with age, Europe finds itself unable to increase the sum of its culture. It cannot keep the peace. And this failure, *per se*, enhances the position and importance of the outlying cultural centers. Spain has become overshadowed by Latin America, Great Britain by the United States, Canada, Australia and New Zealand, and Russia by Siberia. True to her faith in logic and symmetry, France retained her position in regard to the empire; but this was achieved only through generosity in the extension of citizenship and parliamentary representation to native peoples. Only Germany, of the greater European

states, has failed to understand the political ethics of the twentieth century. She still labors under the impression that imperialism, with its scrupulous categorization of peoples into those of master and slave races, may still be forced upon the world by military means. Before World War I, Germany made no steps toward recognition of the political ability of her colonials. She fulfilled her complete responsibility to them through medicine, sanitation, housing and other social amenities. A farmer exhibits the same attitude toward his mules and his tractors.

Mr. Fisher criticizes Frederick Schumann for his contention that all past civilizations have come to an end through war (p. 177). This, says the author, is mere observation. It explains nothing. Yet when he comes to sum up the case for European decline, he says: "The social and economic evolution of Europe seems to have reached a point where dangerous crises are unavoidable." (p. 199). Where lies the difference in these two summaries?

University of Oklahoma

CORTZ A. M. EWING

Wish, Harvey, *George Fitzhugh, Propagandist of the Old South*. (Baton Rouge: Louisiana State University Press, 1943, pp. xiv, 360.)

Those who have researched or read either widely or deeply into the antebellum history of the South or even into the Civil War and Reconstruction periods, most likely have run across the name of George Fitzhugh, and have doubtless been intrigued no little by the unusual views he held. Here was a person whom someone must sooner or later run down and explain. To Professor Wish goes the honor and distinction of having done this task—an honor and distinction because he did it so well.

George Fitzhugh was a Virginian of the Northern Neck vintage—a specific locale which made him a neighbor either contemporary with or subsequent to the Washingtons, the Lees, the Footes, the Hunters, and a host of other well-known characters in history. Born in 1806 he flourished mostly during the antebellum times, sharply tapered off during war and Reconstruction, and died in 1881 in poverty and obscurity in Texas.

Fitzhugh was a philosopher of a sort, bold and original, who gained his greatest notoriety as a defender of the institution of slavery. In developing this defense he went far beyond the common arguments put forth by other Southerners, and so challenging was his philosophy that it came to be talked about in the North more than that of any other Southerner and was erroneously held to be the common Southern position. Fitzhugh defended slavery on wider and more fundamental principles than did other Southerners except those who became his followers. He believed that slavery was the ultimate key to social organization, that

there must be a master race, which, however, should not be based on color. It should be placed on the eternal principle of organization and authority versus anarchy and unbridled democracy. People were not born equal and could never be made so. Some were born with saddles on, and others booted and spurred to ride them—and what was more, riding was good both for the rider and the ridden. In a laissez faire free society, the capitalists wrung the last bit of service from the workers and left them in their old age and sickness to starve and perish. Slavery gave the workers their just part of what they produced—free society, never.

Slavery was social security in its fullest sense—what revolutions heretofore had tried to gain and philosophers had sought after. Wage slavery was, therefore, vastly worse than an organized society of masters and slaves. Fitzhugh believed that there was here an irrepressible conflict between these two forms of society, and ultimately the world must become all one or the other. Here he gave Lincoln the impulse for his House Divided Speech and made it easy for Seward to talk about the Irrepressible Conflict. Fitzhugh was careful to base the conflict on a long-drawn-out natural process rather than on bloody warfare, and he never applied this doctrine so definitely to the North as to England. Wage slavery in the North had not yet attained the abject depths that it had in England, because there were still opportunities for the workers in the North to retreat to the public lands—the safety valves had not yet been closed in the North as they had been in England, but the time was surely coming when they would be shut off. Fitzhugh got much comfort and many valuable suggestions from Carlyle's essays. His best-known works were the two books: *Sociology for the South; or, The Failure of Free Society* and *Cannibals All! or, Slaves Without Masters*.

As has been previously intimated, Professor Wish handles his subject with skill and understanding and points out what must stare anyone in the face who reads Fitzhugh's works, that there is a startling similarity between this world system and what Hitler and Mussolini so vociferously blared forth as they furiously strutted in their brief authority on their dunghills. He also points out that Fitzhugh in his system represented neither the South nor the Democratic Party, albeit Lincoln and other Republican leaders assumed it to be so.

The University of Texas.

E. M. COULTER.

Omstead, A. T., *Jesus in the Light of History*. (New York: Charles Scribner's Sons, 1942, pp. xi, 317.)

The author of this book is professor of Oriental History at the Oriental Institute of the University of Chicago. The problems he sets for himself are best stated in his own words:

"Who was Jesus of Nazareth? When did he live? Where was his home? What was his environment? How did he act? What did he teach? Why did he die?"

The historian is able to answer similar questions in the case of every other outstanding man in world history; is Jesus the lone exception? Must the historian abandon all attempt to picture the historical Jesus? Must he remain content to write a book which simply repeats what the disciples thought about their Master? Must Jesus always be to us a dimly recognizable figure, seen vaguely through wavering clouds of doubt? Or can the historian report in all honesty that he has met the great Prophet face to face under the blazing light of history?"

Olmstead's answers to the foregoing questions can again best be stated in his own words:

"Jesus had lived until nearly fifty as a humble joiner in a tiny out-of-the-way hamlet. For a little over a single year—475 days to be exact—he had proclaimed the good news of God's Kingdom. He had made a few converts, for the most part from the lower middle class. By his preaching, he had involved himself with the highest ecclesiastical authorities. They had forced Pilate unwillingly to order his execution by the cross, the most painful and most disgraceful of deaths. Henceforth his memory was branded; he had died as a criminal and as a rebel against the all-powerful Roman Empire. Less than three centuries later, this very Roman Empire revered Jesus as its Lord and Master. The once despised cross soared in the sky about magnificent churches dedicated to his worship. How did this miracle come to pass?"

To this last question Olmstead, the historian, also has an answer: The "Miracle" was the result of an experience:

"Only a genuine psychological experience common to all the leaders of the church can explain these stories (of the appearance of Jesus), which find an even more explicit explanation in the appearance to Paul only five years later, and yet as to one born out of due season. Such appearances are absolutely demanded to explain the sudden shift in the feelings of the disciples, one day mourning and weeping, in fear, disillusioned, the next going forth joyfully to danger and death, and always preaching as the one absolute dogma of the new faith the belief in the resurrection."

In short, the belief in the appearances, recorded in the documents by convinced eye-witnesses, was a social force which the historian must admit. Their explanation is another matter. Cautious historian that he is, Olmstead does not permit himself to deal with this problem. He only records what has happened: "*We* may postulate reasons of psychology for (the appearance) and for (their) cessation; the disciples had another explanation: Jesus had ascended into heaven."

The book is a good book and contains many items that will startle the unsuspecting layman. For example, the belief that Jesus was about thirty years of age when he entered upon his public ministry is so wide-

spread that it will surprise many to know that he was nearly fifty! Again, the Scribes and Pharisees have both been considered enemies of Jesus for so long that the reader is unprepared for the statement that "Jesus was always on good terms with the Pharisees, who recognized their mutual kinship in thought." Or, the popular impression that Jesus' active ministry covered a period of about three years is so much taken for granted that the reader almost resents the fact that "We can even give the exact length of Jesus' ministry—475 days." Many other similar surprises might be mentioned and it is this quality that gives the work its value, particularly for students of the social sciences. As a class, social scientists are peculiarly "innocent" with regard to developments in the field of biblical history and they would do well to read this book as one means of bringing themselves up-to-date. One result might be a decrease in the amateurish expressions of opinion into which their ignorance has too frequently betrayed them.

The University of Texas

REX D. HOPPER

Nevins, Allan, and Hacker, Louise M. (Editors), *The United States and Its Place in Foreign Affairs*. (Boston: D. C. Heath and Co., 1943. pp. xi, 612.)

The book is the product of the work of fourteen authors. It is explained in the preface that the plan of the book was carefully laid before a single word was committed to paper by any one of the contributors. This may explain in part how the forty chapters escaped so successfully the disunity and lack of coherence which so generally characterize a work of numerous authorship. As the reader passes from one chapter to another of a different authorship he continues to sense the presence of a common standpoint, and a relationship of the affairs with which each chapter is particularly concerned to the interests and life of the United States.

The conclusion of the authors do not seem far from being in agreement with Walter Lippmann in his characterization of the recent foreign policy of the United States. That policy must be held responsible for many of the catastrophic trends in recent world movements. The United States failed to see or refused to accept the fact that the last war and the treaties which followed changed the world. This new-fashioned world with its new problems our government continued to try to meet and settle in the old-fashioned way. The action of the United States is likened to the efforts of the architect who would try to reconstruct the old and battered world edifices into modern apartments in which each family could live its own individual life. It was found however, that each occupant had ideas of his own of the accommodations which he wanted, and no arrangement could be made which would satisfy requirements for such things as ventilation, heating, lighting and access to front

door, bathroom and kitchen. On top of these troubles the architects' own family refused to live in the reconstructed edifice, yet insisted upon enjoying the privilege of using the corridors, stairways, and the common laundry. The isolationists of Congress insisted on the right of the United States of enjoying the privilege to come and go into any room and corner of this new edifice, but would have no part in the job of keeping it in order, for fear that our janitors might become involved in quarrels with some of the tenants. The neutrality acts of 1935 and 1936 are illustrative of the attitude of Congress. These neutrality efforts led to the most absurd results. For example, popular opinion in the United States was in favor of applying the neutrality law to the war in Spain, where it could not be applied, but did not want it applied against Japan when she invaded China, where it could be applied.

On the whole it is a most instructive story of our world relationship during one of the most critical periods. No person can read this book without being greatly benefited thereby.

University of Oklahoma

S. W. SWENSON

Katona, George, *War Without Inflation: The Psychological Approach to Problems of War Economy*. (New York: Columbia University Press. 1942. pp. x, 213.)

George Katona's thesis in this book is that war can be waged without inflation if psychological as well as political and economic factors are taken into account in the formulation and execution of governmental policy. He stresses the importance of understanding rather than mere repetition of the idea of reward and punishment in the learning process. This emphasis is the basis of his belief that the people can be expected to make a rational response to a well prepared and properly presented program to prevent inflation.

Katona takes the position that inflation is not the "automatic effect of economic factors." His somewhat narrow delimitation of the role of economic factors leads to a rather broad extension of the field of potential psychological activity. He contends that much, perhaps too much, one is inclined to think, depends upon the government's creation of the proper "attitudes and expectations" on the part of the people.

As the author ably points out, the fight against inflation involves both legislative and administrative action, *e. g.*, taxation and price control, and the "orientation of the public to bring about the best possible responses to wartime conditions and measures." It is necessary, therefore, that the government prepare an adequate program, present it to the people in a convincing manner, and enforce it in such a way as to inspire and maintain public confidence.

This book is a timely, intelligent, and very readable piece of work. Katona's emphasis upon the necessity of recognizing the psychological as well as the economic aspect of the problem of inflation though unorthodox is not entirely new; however, it does serve as a pertinent reminder that an attack upon inflation on both the psychological and economic fronts would be very fruitful. His rather convincing argument that war without inflation is possible through the public's rational acceptance of a carefully planned and presented program is heartening to believers in democracy.

University of Oklahoma

CLAUDE A. CAMPBELL

Askew, William C., *Europe and Italy's Acquisition of Libya, 1911-1912*. (Durham: Duke University Press, 1942, pp. xi, 317.)

The battle of the Mediterranean in the present struggle has clearly demonstrated the strategic significance of the North African coast. Professor Askew has carefully examined the diplomatic repercussions of the Turco-Italian War of 1911-12, which war brought Italy the important province of Libya.

No claim is made that this achievement of Italian imperialism, the cashing of the undated check, was provocative of a major crisis in European diplomacy; instead the story is portrayed against the larger background of alliance power politics. The problems of Turkish administration and of Italian penetration as well as the course of military operations are wisely given only limited attention; the Turkish and Italian documents are not available for the former while competent accounts are already sufficient for the latter. Italy's diplomatic preparations for the conquest of Tripoli, the feeble attempts at mediation and restoration of peace, the ever present fears that the hostilities might spread to the explosive Balkans, the Russian efforts to open the Straits to her warships, and the clash of national interests with the alliance system receive chief consideration.

All available pertinent state documents appear to have been examined, and though the Russian and Turkish press have not been consulted, an extensive sampling of contemporary public opinion has been made. Numerous footnotes, an extensive working bibliography of primary and secondary sources, and a good index increase the value of this book to scholars. Though a detailed account of this nature will not have a wide appeal for the general reading public, and though no important alteration in existing views will be necessitated this study remains an essentially competent monograph not likely to need serious revision even if the Italian and Turkish documents should sometime be made public.

University of Oklahoma

WILLIAM E. LIVEZEY

Barnes, H. E. and Teeters, F. T., *New Horizons in Criminology*. Foreword by Frank Tannenbaum. (New York: Prentice Hall, 1943, pp. XXVI, 1069.)

This extensive volume adds considerable valid material to the already extensive studies in the field of criminology and of penology. The authors, while not developing any radical departure from the usual type of treatise on the subject, have nevertheless made a contribution by collecting within the covers of a single volume a wider assortment and synthesis of materials than most works of this kind have included. The first several chapters are devoted primarily to a consideration of the bases for and the history of social attitudes toward crime and the criminal, and the biological and social bases of the prime problem. This portion of the study is concerned with the nature and causes of crime and is more or less generally referred to as the science of criminology. With respect to the factors which enter into the development of criminal ideas, the authors apparently are in fundamental agreement with the dominant current thought, namely that the social inheritance can undo the highest quality of biological inheritance, provided the culture to which the individual falls heir as the result of living in a social world is not the type favorable to the development of reliable citizenship.

The remaining, and by far the larger, portion of the study is concerned with the treatment phases of the problem, usually referred to as penology. Extensive materials have been assembled which deal with the police; the theories and philosophies of punishment; and the history, present development and degree of effectiveness of the prison system at the present time. Although this portion of the volume is the least distinctive, tending as it does to conform fairly closely to the pattern of such studies, the array of material gives an adequate picture of the history and current aspects of each phase of the penal system.

The last part of the study is devoted to a special consideration of the delinquency problem and to the treatment of the juvenile delinquent.

University of Oklahoma

J. J. RHYNE

Aptheker, Herbert, *American Negro Slave Revolts*. (New York: Columbia University Press, 1943, pp. 406.)

This work is an outgrowth of the author's earlier study of "Nat Turner's Revolt," in consequence of which he "came to the conclusion that this event was not an isolated, unique phenomenon, but the culmination of a series of slave conspiracies and revolts which had occurred in the immediate past." It was found that the fact that "there has been and still is a notable lack of agreement as to the extent of unrest and discon-

tent among the American Negro slave population" was matched by the absence of a thoroughly documented study of the problem. The present work represents an attempt to meet that need.

The result is a very good book. After a chapter in which the fact of "The Fear of Rebellion" is firmly established as having been widespread and of long duration, chapters are devoted to the following topics: "The Machinery of Control," "Some Precipitants of Rebellion," "Further Causes of Rebellion," "Individual Acts of Resistance," "Exaggeration, Distortion, Censorship," and "Early Plots and Rebellions." These chapters are followed by chapters covering ten-year periods beginning with 1791 and continuing through "The Civil War Years."

The author's major conclusions may be summarized as follows:

1. "There are few phases of anti-bellum Southern life and history that were not in some way influenced by the fear of, or the actual outbreak of, militant concerted slave action."
2. "The prime motive on the part of the slaveholders of the ante-bellum South was the maintenance of its type of social order. Internally, the ultimate threat to this stability was disaffection and unrest on the part of the slaves . . . Thus it came about that a basic consideration in the formulation of the legal, social, and theological aspects of pre-Civil War Southern life was how best to prevent or how most efficiently to suppress mass Negro rebelliousness. Thus was fostered the colossal myth of the sub-humanity of the Negro, a myth basic to the entire social order, and which demanded the corruption of political science, theology, and anthropology. Acceptance of this idea had to be demonstrated by all, Negro and white . . . This was the foundation. Upon this was reared the structure itself."
3. The book shows the way in which the legal structure of the South, the rate of urbanization and industrialization, the progress of Democracy, and many other phases of Southern life are all to be understood only in relation to this basic need to "keep the Negro in his place" and the ever-present fear that he might attempt to escape from it—a fear which the author believes was well-founded for he closes the study with the observation that "The evidence . . . points to the conclusion that discontent and rebelliousness were not only exceedingly common, but, indeed, characteristic of American Negro slaves."

The book is excellent historiography but innocent of analysis, a lack for which the author can scarcely be criticized since he did not propose to undertake it. Even so, it is interesting and somewhat surprising that as late as 1937 anyone should still have wondered whether the "Nat Turner Revolt" was an isolated phenomenon. But, the author did and a good book has resulted from so naive a question.

The University of Texas

REX D. HOPPER

Book Notes

Sidney Warren's *American Freethought, 1860-1914* (New York: Columbia University Press, 1943, pp. 257) is not likely to get the wide reading that it really deserves. There should be some way to conceal the fact that a work is a doctoral dissertation in order that it may not be condemned out-of-hand because of the one prejudice shared by academic and lay readers. This is one dissertation that should be read. Together with Morais' *Deism in Eighteenth Century America*, and Post's *Popular Freethought—1820 to 1850* it forms a trilogy which presents an adequate picture of the development of the Freethought Movement. As everybody knows, the so-called Freethought Movement was largely an attack on organized religion. The book is a story of that conflict. Nine chapters deal with the following topics: "The Nature of the Freethought Movement," "The New Scientific Impulse to Freethought," "Agnosticism in America," "Conservative Freethought—The Free Religious Association and its Followers," "Freethinkers and the New Social Consciousness," "Socialism and Freethought," "The American Secular Union and Other Secularist Activities," "Atheism: Left-Wing of the Freethought Movement," and "The Religious Attack on Freethought." The author's conclusions may be briefly summarized as follows:

- (1) Freethinkers were united only in their militant and uncompromising opposition to dogmatic religion and in their conviction that "the fountainhead of all freedom was Freethought."
- (2) Not all freethinkers were liberals with reference to political, social, and racial issues. That is, the evidence does not support the frequent belief that loyalty to "scientific method" will result in social liberalism.
- (3) The Freethought Movement represented a set of ideas that never was able to achieve an efficient institutional structure. This was its fatal weakness.
- (4) "Although the Freethought Movement at no time after 1860 offered a real threat to the existence of organized religion, the two forces continued to attack each other violently." And the struggle continues "because freethought both as an ideological doctrine and as an organized movement still exists in America."

Here, then, is a good book. As a study in the unscientific character of the thought processes of many of the devotees of "Science" and "Religion" it is required reading for all who desire to gain perspective on the present ideological struggle in which, of course, the same logical fallacies may again be observed.

R. D. H.

The Future Economic Policy of the United States. (Boston: World Peace Foundation, 1943, pp. vi, 101) by William Adams Brown, Jr., is a thought provoking study which raises some very important questions concerning the future economic policy of the United States. The Amer-

ican people must ponder them carefully if they expect to create a consistent and effective economic policy. The author's brief treatment of his subject permitted him merely to suggest general answers to the questions raised. One wishes that he might have elaborated somewhat more fully upon a number of items, for example, "opportunity costs" and his concept of a "working world economy." The fundamental issue in determining the future economic policy of the United States, as the author points out, is "whether or not we can attain security without sacrificing free enterprise and without refusing to take our full part in rebuilding the world economy." The reconciling principle which will enable us to enjoy a high degree of security and relatively untrammelled initiative lies in the application of dynamic rather than static social controls and in the fostering of cooperation rather than competition between enterprise and the state in the exploitation of national resources. This compromising policy would enable the United States to "combine many of the strong points of individualism and collectivism, of nationalism and internationalism." A well integrated domestic economy would serve as a sound basis for the exercise of constructive leadership in international economic affairs. This book is essential reading for students interested in post-war economic problems. It contains a brief annotated bibliography. There is no index

C. A. C.

L. H. White's *Money Economy by an Engineer*, (Birmingham, Alabama: Birmingham Printing Company, 1939, pp. 132) is a superficial excursion into several extremely complex economic issues. The author admits that he had paid "very little attention to economics prior to the depression following the stock market collapse in 1929," and decided to express personal opinions about these issues merely because friends thought "readers would be interested." Mr. White is guilty of dabbling. In one hundred and thirty-two pages he scratches the surface of methodology in the social sciences, Marxism, business cycle theory, deposit banking, and the New Deal. In this short analysis he draws conclusions such as the following: (1) That economics is not a true science, (2) That "the principal trouble with Marx's philosophy was that he never really seemed to understand just how the use of credit affected the functioning of capitalism," (3) That "the standard of living could be raised and the American people better satisfied if a capitalistic currency system more like the one that formerly prevailed was substituted for our present socialistic system." (4) Finally he concludes that "social scientists assume that their theories regarding social reforms are right and that facts that are contrary to these theories are wrong and should be changed to conform to the reformer's theories." Obviously he has not acquainted himself with the many empirical social studies conducted by private and public

institutions and individuals. The most constructive part of the book lies in the first five chapters in which he compares the "methods" of natural and social science.

L. K. B.

Citizens of Greene County, Georgia and the surrounding area will be interested in the information contained in Arthur Raper's *Tenants of the Almighty* (New York: The Macmillan Company, 1943, pp. vii-x, 79 plate, pp. 3-389) about local persons, places, and events. The book may itself be considered as an instrument for developing local understanding and community pride. It is, therefore, an important part of the program for economic and social rehabilitation and reorganization carried on in the county over a comparatively long period of time. The history of the area, with emphasis upon social and economic development, decline, disintegration and rehabilitation, is sketched from the time when "the Almighty had spoken. Time was, life was" to the present when the county is fully organized to perform to its utmost the task of aiding in the world struggle. To other readers the importance of the book will depend upon their recognition of the immediate situation as having significant suggestions toward duplicative programs in successive local areas or as indicating a more general program of amelioration or rehabilitation. Those interested in attacks upon specific "problem" rural communities will find constructive contributions toward operational procedure in the "unified farm program" of Green County.

R. A. A.

The title of *United Nations Agreements* (Washington, D. C.: American Council on Public Affairs, 1944, pp. xxxiii., 376), edited by M. B. Schnapper, describes the volume accurately. It is a collection of agreements—bilateral and multilateral—entered into by various states of the United Nations. The volume has not only a table of contents but also three indices in which the documents are grouped according to countries involved, subject matter, and the international administrative agencies concerned. Note the length of the book—375 pages. It is amazing how many agreements have been entered into by the United Nations. It is, of course, highly convenient for the student of international relations to have all these documents collected into one volume. This volume taken together with the World Peace Foundation's *War and Peace Aims of the United Nations* leaves the student of international relations remarkably well supplied with documents bearing on the war and the coming peace.

D. S. S.

The growing difficulties encountered in the preparation of the League of Nations Economic Intelligence Service's *Statistical Year-book of the League of Nations 1941-42 including Addendum 1942-43* (Geneva: 1943, pp. 279; addendum of 79) is the opening phrase of the preface of this volume. Without a doubt this is a masterpiece of understatement.

Securing complete statistics from a world at war when some of these figures may be military secrets and when there must be many obstacles in the way of postal communications must be a monumental task. None the less a very impressive volume of statistics has been produced. As usual it is in both French and English. D. S. S.

Robert I. Adriance's *Using the Wealth of the World* (Boston: Little Brown & Co., 1943, pp. xlii, 429), is a high school economics textbook. It is a non-controversial discussion of our American economy. The treatment is descriptive rather than analytical. It is decidedly not a "principles" text. The title is somewhat inaccurate. V. G. W.

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